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20 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

21 **IN AND FOR THE COUNTY OF SAN FRANCISCO**

22 Coordination Proceeding Special Title
23 (Rule 3.550)

Judicial Council Coordination Proceeding
No. 4955

24 **CALIFORNIA NORTH BAY FIRE**
25 **CASES**

**MASTER COMPLAINT – INDIVIDUAL
PLAINTIFFS**

Judge: Honorable Curtis E.A. Karnow
Department: 304

JURY TRIAL DEMANDED

ELECTRONICALLY
FILED

*Superior Court of California,
County of San Francisco*

03/12/2018

Clerk of the Court

BY: JUDITH NUNEZ

Deputy Clerk

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1 **PLAINTIFFS** bring this action for damages against Defendants **PG&E**
2 **CORPORATION, PACIFIC GAS & ELECTRIC COMPANY, and DOES 1 through 20**
3 (collectively, “**DEFENDANTS**”) as follows:

4 **I. INTRODUCTION**

5 1. This case arises from **PG&E CORPORATION** and/or **PACIFIC GAS &**
6 **ELECTRIC COMPANY’s** (collectively, “**PG&E**”) longstanding corporate culture of decision-
7 making that places profits over public safety. **PG&E’s** well-documented disregard for safety
8 regulations and risk management practices, along with their blind eye towards the use of effective
9 maintenance and inspection practices for their facilities and equipment, lies at the root of the
10 various factors which caused and/or contributed to causing the most destructive and deadly
11 wildfires California has ever seen (collectively, the “North Bay Fires”).

12 2. On or around the night of Sunday, October 8, 2017, the North Bay Fires started
13 when a system disturbance on the electrical grid constructed, owned, operated, managed, and/or
14 maintained by **PG&E** caused transformers designed, constructed, owned, operated, managed,
15 and/or maintained by **PG&E** to fail, fault, spark, and/or explode, causing energized power lines
16 constructed, owned, operated, managed, and/or maintained by **PG&E** to burn and/or fall down.
17 These downed lines sparked nearby vegetation, igniting fires simultaneously across multiple
18 counties. Other fires caused electrical currents to flow through down guys owned, designed,
19 operated, managed and/or maintained by **PG&E**, creating arcing at ground level in dry grass. The
20 arcing from down guys at or around ground level sparked fires in and around vegetation. All of
21 these events, and others, including but not limited to conductors, poles, insulators, reclosers, and/or
22 other electrical equipment constructed, owned, operated, managed, and/or maintained by **PG&E**
23 that fell down, broke, failed, sparked, exploded, and/or came into contact with vegetation, caused
24 and contributed to causing the North Bay Fires. Although the numerous fires constituting the
25 North Bay Fires have different points or origin, they all share the same underlying causes and arose
26 from **PG&E’s** disregard of mandated safety practices and foreseeable hazardous risks associated
27 with its infrastructure.
28



PG&E Equipment on October 9, 2017, in Fountaingrove, a Neighborhood Decimated by the Tubbs Fire¹

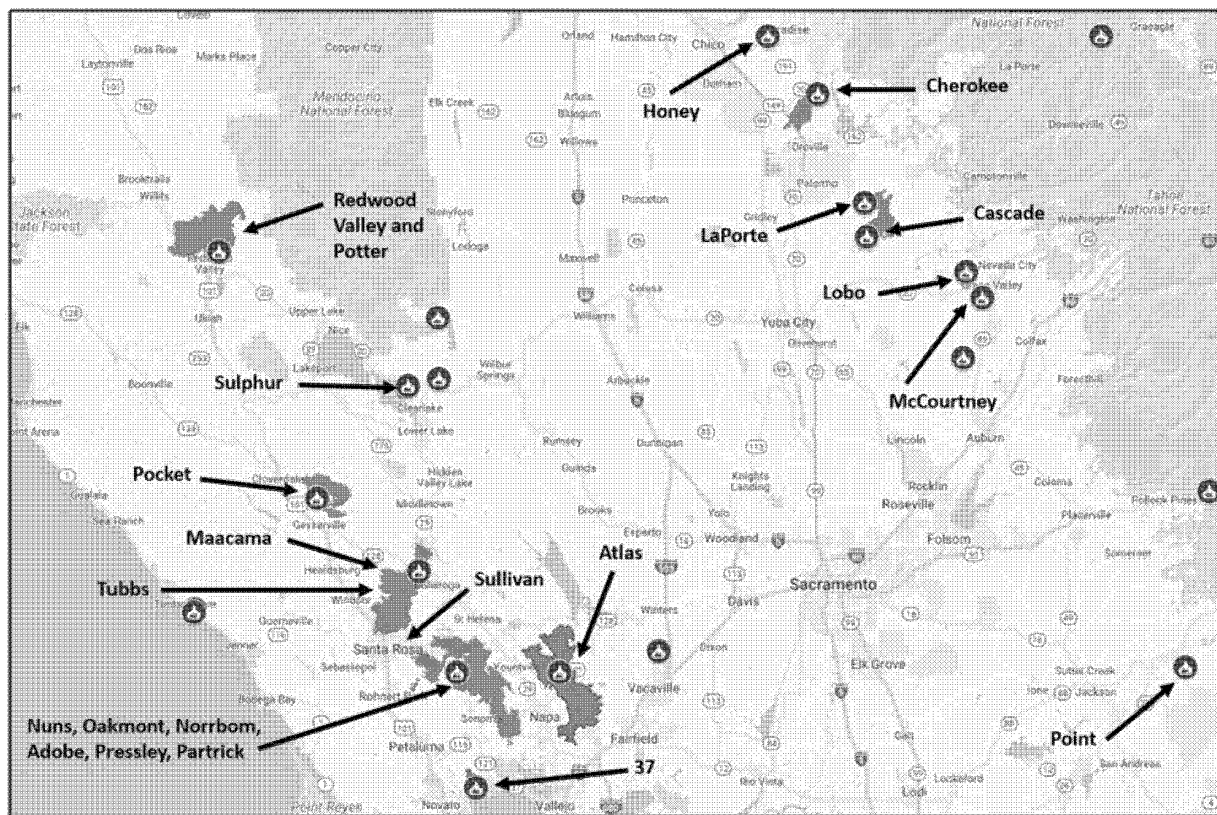
3. Over the following days, the North Bay Fires spread rapidly and caused extensive damage throughout Northern California, including populated neighborhoods and sprawling vineyards. The North Bay Fires claimed the lives of at least 44 individuals, injured many others, burned over 245,000 acres, and destroyed over 14,700 homes. The following fires in Sonoma, Napa, Mendocino, Solano, Lake, Butte, Calaveras, Nevada, and Yuba Counties are collectively referred to as the North Bay Fires, including: the Adobe, Atlas, Cascade, Cherokee, Honey, LaPorte, Lobo, Maacama, McCourtney, Norrbom, Nuns, Oakmont, Partrick, Pocket, Point, Potter, Pressley, Redwood Valley, Sullivan, Sulphur, Tubbs, and Highway 37 Fires.

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¹ <http://www.mercurynews.com/2017/10/25/pge-missed-electricity-inspections-violated-safety-rules-in-bay-area-including-north-bay-audits/> (last accessed February 2, 2018).



Map of the North Bay Fires²

4. As set forth in more detail in the following pages, based on multiple reports, audits, investigations, and/or interviews, it is clear that the North Bay Fires were an inevitable byproduct of PG&E's willful and conscious disregard of public safety. PG&E, although mandated to do so, failed to identify, inspect, manage, and/or control vegetation growth near its power lines and/or other electrical equipment. This created a foreseeable danger of trees and/or other vegetation coming into contact with PG&E's power lines and/or other electrical equipment and causing electrical problems. Further, PG&E failed to construct, manage, track, monitor, maintain, operate, replace, repair, and/or improve its power lines, poles, transformers, conductors, insulators, reclosers, and/or other electrical equipment in a safe manner, despite being aware that its infrastructure was aging, unsafe, likely to cause fires, and/or vulnerable to environmental

² Derived from Cal Fire map at <http://www.fire.ca.gov/general/firemaps> (last accessed February 12, 2018).

1 conditions. Finally, **PG&E** failed to adequately design, maintain, replace, repair, and/or improve
2 its anchors and/or down guys, despite being aware from prior fires that these anchors and/or down
3 guys could cause fires when ground currents exist.

4 5. **PG&E** knew about the significant risk of wildfires and other disasters from its
5 ineffective vegetation management programs, unsafe equipment, and/or aging infrastructure for
6 decades before the North Bay Fires began and, as described below, has been repeatedly fined
7 and/or convicted of crimes for causing wildfires, explosions, and other disasters by failing to
8 mitigate these risks.

9 6. Wildfires, explosions, and other devastating events have resulted from **PG&E's**
10 long history of choosing to divert funds from its public safety, vegetation management, and/or
11 infrastructure maintenance programs to instead line its own corporate pockets.

12 **II. JURISDICTION AND VENUE**

13 7. This Court has jurisdiction over this matter pursuant to Code of Civil Procedure §§
14 395(a) and 410.10 because Defendants, and/or each of them, reside in, are incorporated in, and/or
15 do significant business in the County of San Francisco, State of California. The amount in
16 controversy exceeds the jurisdictional minimum of this Court.

17 8. Venue is proper in this Court pursuant to Code of Civil Procedure § 404.3 and
18 California Rules of Court, Rule 3.540. The Honorable Curtis E.A. Karnow of the Superior Court
19 of California, County of San Francisco was assigned as the Coordination Trial Judge for this
20 action.

21 **III. THE PARTIES**

22 **A. PLAINTIFFS**

23 9. **PLAINTIFFS** are individuals and/or business entities who suffered and/or
24 continue to suffer personal injuries, property losses, and/or other damages from the North Bay
25 Fires, including but not limited to the Adobe, Atlas, Cascade, Cherokee, Honey, LaPorte, Lobo,
26 Maacama, McCourtney, Norrbom, Nuns, Oakmont, Partrick, Pocket, Point, Potter, Pressley,
27 Redwood Valley, Sullivan, Sulphur, Tubbs, and/or Highway 37 Fires.

1 **B. DEFENDANTS**

2 10. At all times herein mentioned Defendants **PG&E CORPORATION** and
3 **PACIFIC GAS & ELECTRIC COMPANY** were corporations authorized to do business and
4 were doing business in the State of California with their principal place of business in the County
5 of San Francisco, State of California. Defendant **PG&E CORPORATION** is an energy-based
6 holding company headquartered in San Francisco. It is the parent company of Defendant
7 **PACIFIC GAS AND ELECTRIC COMPANY**. **PG&E CORPORATION** and **PACIFIC**
8 **GAS AND ELECTRIC COMPANY** provide public utility services, including the generation of
9 electricity and the transmission and distribution of electricity and natural gas to millions of
10 customers in Northern and Central California, including the residents of Butte, Calaveras, Lake,
11 Mendocino, Napa, Nevada, Solano, Sonoma, and Yuba Counties.

12 11. **PLAINTIFFS** allege that **PG&E CORPORATION** and **PACIFIC GAS &**
13 **ELECTRIC COMPANY** are jointly and severally liable for each other's wrongful acts and/or
14 omissions as hereafter alleged, in that:

- 15 a. **PG&E CORPORATION** and **PACIFIC GAS & ELECTRIC COMPANY**
16 operate as a single business enterprise operating out of the same building
17 located at 77 Beale St, San Francisco, California for the purpose of effectuating
18 and carrying out **PG&E CORPORATION's** business and operations and/or
19 for the benefit of **PG&E CORPORATION**;
- 20 b. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION**
21 do not operate as completely separate entities, but rather, integrate their
22 resources to achieve a common business purpose;
- 23 c. **PACIFIC GAS & ELECTRIC COMPANY** is so organized and controlled,
24 and its decisions, affairs and business so conducted as to make it an
25 instrumentality, agent, conduit and/or adjunct of **PG&E CORPORATION**;
- 26 d. **PACIFIC GAS & ELECTRIC COMPANY's** income contribution results
27 from its function, integration, centralization of management and economies of
28 scale with **PG&E CORPORATION**;

- 1 e. **PACIFIC GAS & ELECTRIC COMPANY's** and **PG&E**
2 **CORPORATION's** officers and management are intertwined and do not act
3 completely independent of one another;
- 4 f. **PACIFIC GAS & ELECTRIC COMPANY's** and **PG&E**
5 **CORPORATION's** officers and managers act in the interest of **PG&E**
6 **CORPORATION** as a single enterprise;
- 7 g. **PG&E CORPORATION** has control and authority to choose and appoint
8 **PACIFIC GAS & ELECTRIC COMPANY's** board members as well as its
9 other top officers and managers;
- 10 h. Despite both being Electric Companies and Public Utilities, **PACIFIC GAS &**
11 **ELECTRIC COMPANY** and **PG&E CORPORATION** do not compete with
12 one another, but have been structured, organized, and businesses effectuated so
13 as to create a synergistic, integrated single enterprise where various components
14 operate in concert with one with another;
- 15 i. **PG&E CORPORATION** maintains unified administrative control over
16 **PACIFIC GAS & ELECTRIC COMPANY**;
- 17 j. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION**
18 are insured by the same carriers and provide uniform or similar pension, health,
19 life and disability insurance plans for employees;
- 20 k. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION**
21 have unified 401(k) Plans, pensions and investment plans, bonus programs,
22 vacation policies and paid time off from work schedules and policies;
- 23 l. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION**
24 invest these funds from their programs and plans by a consolidated and/or
25 coordinated Benefits Committee controlled by **PG&E CORPORATION** and
26 administered by common trustees and administrators;
- 27 m. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION**
28 have unified personnel policies and practices and/or a consolidated personnel

organization or structure;

- n. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION** have unified accounting policies and practices dictated by **PG&E CORPORATION** and/or common or integrated accounting organizations or personnel;
- o. **PACIFIC GAS & ELECTRIC COMPANY** and **PG&E CORPORATION** are represented by common legal counsel;
- p. **PG&E CORPORATION's** officers, directors, and other management make policies and decisions to be effectuated by **PACIFIC GAS & ELECTRIC COMPANY** and/or otherwise play roles in providing directions and making decisions for **PACIFIC GAS & ELECTRIC COMPANY**;
- q. **PG&E CORPORATION's** officers, directors, and other management direct certain financial decisions for **PACIFIC GAS & ELECTRIC COMPANY** including the amount and nature of capital outlays;
- r. **PG&E CORPORATION's** written guidelines, policies, and procedures control **PACIFIC GAS & ELECTRIC COMPANY**, its employees, policies, and practices;
- s. **PG&E CORPORATION** files consolidated earnings statements factoring all revenue and losses from **PACIFIC GAS & ELECTRIC COMPANY** as well as consolidated tax returns, including those seeking tax relief; and/or, without limitation; and
- t. **PG&E CORPORATION** generally directs and controls **PACIFIC GAS & ELECTRIC COMPANY's** relationship with, requests to, and responses to inquiries from, the Public Utilities Commission and uses such direction and control for the benefit of **PG&E CORPORATION**.

C. DOE DEFENDANTS

12. The true names and capacities, whether individual, corporate, associate, or otherwise of the Defendants **DOES 1 through 100**, inclusive, are unknown to **PLAINTIFFS** who

1 therefore sue said Defendants by such fictitious names pursuant to Code of Civil Procedure § 474.
2 **PLAINTIFFS** further allege that each of said fictitious Defendants is in some manner responsible
3 for the acts and occurrences hereinafter set forth. **PLAINTIFFS** will amend this Master
4 Complaint to show their true names and capacities when the same are ascertained, as well as the
5 manner in which each fictitious Defendant is responsible.

6 **D. AGENCY & CONCERT OF ACTION**

7 13. At all times mentioned herein, **DEFENDANTS**, and/or each of them, hereinabove,
8 were the agents, servants, employees, partners, aiders and abettors, co-conspirators, and/or joint
9 venturers of each of the other **DEFENDANTS** named herein and were at all times operating and
10 acting within the purpose and scope of said agency, service, employment, partnership, enterprise,
11 conspiracy, and/or joint venture, and each **DEFENDANT** has ratified and approved the acts of
12 each of the remaining **DEFENDANTS**. Each of the **DEFENDANTS** aided
13 and abetted, encouraged, and rendered substantial assistance to the other **DEFENDANTS** in
14 breaching their obligations to **PLAINTIFFS** as alleged herein. In taking action to aid and abet
15 and substantially assist the commission of these wrongful acts and other wrongdoings complained
16 of, as alleged herein, each of the **DEFENDANTS** acted with an awareness of his/her/its primary
17 wrongdoing and realized that his/her/its conduct would substantially assist the accomplishment of
18 the wrongful conduct, wrongful goals, and wrongdoing.

19 **IV. STATEMENT OF FACTS**

20 **A. PG&E IS REQUIRED TO SAFELY DESIGN, OPERATE, AND**
21 **MAINTAIN ITS ELECTRICAL SYSTEMS**

22 14. **PG&E** owns, installs, constructs, operates, and maintains overhead power lines,
23 together with supporting poles and appurtenances throughout Northern and Central California for
24 the purpose of transmitting and distributing electricity to the general public. These lines and
25 equipment were located at and around the origin points for the North Bay Fires.

26 15. Electrical infrastructure is inherently dangerous and hazardous, and **PG&E**
27 recognizes it as such. The transmission and distribution of electricity requires **PG&E** to exercise
28 an increased level of care in line with the increased risk of associated danger.

1 16. At all times **PG&E** had and continues to have a duty to properly construct, inspect,
2 repair, maintain, manage, and/or operate its power lines and/or other electrical equipment. **PG&E**
3 also has a duty to keep vegetation properly trimmed and maintained to prevent foreseeable contact
4 with its electrical equipment.

5 17. In the construction, inspection, repair, maintenance, management, ownership,
6 and/or operation of its power lines and other electrical equipment, **PG&E** had an obligation to
7 comply with, *inter alia*: (a) Code of Civil Procedure § 733; (b) Public Resource Code §§ 4292,
8 4293, and 4435; (c) Public Utilities Code § 451; and (d) General Order Numbers 95 and 165.

9 18. California's drought years increased the risk of wildfire and consequently
10 heightened **PG&E's** duty of care in the prevention of wildfires. In January 2014, Governor
11 Edmund Gerald Brown, Jr. declared a state of emergency due to California's continued drought.
12 In June 2014, pursuant to Resolution ESRB-4, the California Public Utilities Commission
13 ("CPUC") directed **PG&E** and all investor-owned utilities to take remedial measures to reduce the
14 likelihood of fires started by or threatening utility facilities.³ In addition, the CPUC informed
15 **PG&E** it could seek recovery of incremental costs associated with these remedial measures outside
16 of the standard funding process, agreeing to provide additional funding on top of vegetation
17 management funding already authorized to ensure remedial measures would not go unperformed
18 due to lack of funding.

19 19. In early 2017, the CPUC issued a Fact Sheet on "**PG&E** Vegetation Management
20 Spending," directing **PG&E** to take increased efforts to reduce fire risk due to the drought
21 emergency: "Although the Governor issued an Executive Order in April 2017 ending the Drought
22 State of Emergency, the declaration directed state agencies 'to continue response activities that
23 may be needed to manage the lingering drought impacts to people and wildlife.' The California
24 Tree Mortality State of Emergency issued in October 2015 by Governor Brown regarding the bark
25 beetle infestation and resulting tree mortality remains in effect. The CPUC has not rescinded
26
27

28 ³ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M096/K415/96415169.pdf> (last
accessed February 12, 2018).

1 ESRB-4, and work by the utilities to comply with it and the Tree Mortality Emergency continues.”⁴

2 20. **PG&E** knew or should have known that these statutory and regulatory standards
3 are minimum standards. **PG&E** knew or should have known that it has: (a) a duty to identify
4 vegetation that is dead, diseased, and/or dying, or that otherwise poses a foreseeable hazard to
5 power lines and/or other electrical equipment; and (b) a duty to manage the growth of vegetation
6 near its power lines and equipment so as to prevent the foreseeable danger of contact between
7 vegetation and power lines starting a fire.

8 21. Further, **PG&E** has a duty to manage, maintain, repair, and/or replace its aging
9 infrastructure to protect public safety. These objectives could and should have been accomplished
10 in a number of ways, including, but not limited to, putting electrical equipment in wildfire-prone
11 areas underground, increasing inspections, developing and implementing protocols to shut down
12 electrical operations in emergency situations, modernizing infrastructure, and/or obtaining an
13 independent audit of its risk management programs to ensure effectiveness.

14 22. **PG&E** knew or should have known that failure to comply and conform to
15 applicable standards and duties constituted negligence and would expose members of the general
16 public to a risk of death, injury, and/or damage to their property.

17 **B. PG&E’S HISTORY OF SAFETY FAILURES**

18 **1. PG&E’S Long History of Safety Violations**

19 23. Over the past thirty-plus years, **PG&E** has been subject to numerous fines,
20 penalties, and/or convictions as a result of its failure to abide by safety rules and regulations,
21 including the following fines, penalties, and/or convictions. Despite these recurring punishments,
22 **PG&E** refuses to modify its behavior, and has continued to conduct its business with a conscious
23 disregard for the safety of the public, including **PLAINTIFFS**.

24 24. As detailed below, the North Bay Fires are among the many tragedies that have
25 resulted from **PG&E’s** enduring failure to protect the public from the dangers associated with its
26 operations. **PG&E** power lines, transformers, conductors, poles, insulators, and/or other electrical
27

28 ⁴ http://cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/PGE%20Vegetation%20Management%20Spending.pdf (last accessed February 12, 2018).

1 equipment have repeatedly started wildfires due to **PG&E's** ongoing failure to create, manage,
2 implement, and/or maintain effective vegetation management programs for the areas near and
3 around its electrical equipment. Further, **PG&E's** deteriorating and carelessly maintained
4 infrastructure has caused multiple disasters throughout California.

5 **2. The 1981 San Francisco Gas Explosion**

6 25. A **PG&E** gas main in downtown San Francisco exploded in 1981, forcing 30,000
7 people to evacuate. It took workers nine hours to shut off the gas main's manual shut-off valves
8 and stop the flow of gas that continued to feed the flames in the interim.

9 **3. The 1991 Santa Rosa Gas Explosion**

10 26. Two people were killed and three others were injured when a **PG&E** gas line
11 exploded in Santa Rosa in December 1991. The pipeline was improperly marked, failing to give
12 proper notice to contractors working in the area. A contractor hit the pipe with a backhoe, causing
13 the pipe to leak and explode several months later.

14 **4. The 1994 Trauner Fire**

15 27. In 1994, **PG&E's** failure to maintain the vegetation surrounding its electrical
16 equipment caused a devastating wildfire in Nevada County, California. This Fire, commonly
17 known as the "Trauner Fire" or the "Rough and Ready Fire," burned approximately 500 acres in
18 and around the town of Rough and Ready, destroyed 12 homes, and burned 22 structures, including
19 a historic schoolhouse that was built in 1868.

20 28. Investigators determined that the Trauner Fire began when a 21,000-volt power line
21 brushed against a tree limb that **PG&E** was supposed to keep trimmed. Through random spot
22 inspections, the investigators found several hundred safety violations in the area near the Trauner
23 Fire. Approximately 200 of these violations involved contact between vegetation and one of
24 **PG&E's** power lines. As a result, on or around June 19, 1997, **PG&E** was convicted of 739
25 counts of criminal negligence and required to pay \$24 million in penalties.

26 29. After the trial, a 1998 CPUC report revealed that **PG&E** diverted \$77.6 million
27 from its tree-trimming budget to other uses from 1987 to 1994. During that same time, **PG&E**
28 under spent its authorized budgets for maintaining its systems by \$495 million and instead, used

1 this money to boost corporate profits. Despite this public outing, **PG&E** continued its corporate
2 culture of putting profits before safety.

3 **5. The 1996 Mission Substation Electrical Fire**

4 30. At approximately 1:00 a.m. on November 27, 1996, a cable splice at **PG&E's**
5 Mission Substation in San Francisco short-circuited, burning and melting the insulation around the
6 splice. Smoke from the fire rose through a floor opening above the splice into a switch cabinet.
7 That smoke was so thick that it caused a flashover between phases of the bus bars connecting the
8 overhead N bus to the switch. This caused insulation on the N bus to ignite and a circuit breaker
9 to open, resulting in the loss of power to a group of **PG&E** customers. The substation was
10 unmanned at the time and the fire was only discovered by chance by an employee who had stopped
11 by the substation to use the restroom.

12 **6. The 1999 Pendola Fire**

13 31. A rotten pine, which the federal government determined **PG&E** should have
14 removed, fell on a power line, starting the Pendola Fire in 1999. It burned for 11 days and scorched
15 11,725 acres, mainly in the Tahoe and Plumas National Forests. **PG&E** paid a \$14.75 million
16 settlement to the U.S. Forest Service in 2009. That year, the utility also reached a \$22.7 million
17 settlement with the CPUC after regulators found **PG&E** had not spent money earmarked for tree
18 trimming and removal toward those purposes.

19 **7. The 2003 Mission District Substation Fire**

20 32. In December 2003, a fire broke out at **PG&E's** Mission District Substation in San
21 Francisco. Despite signs of trouble appearing at control centers, the fire burned for nearly two
22 hours before **PG&E** operators showed up at the Substation, found it full of smoke, and finally
23 called the fire department. The source of the fire was not located until five hours after it began.
24 As a result, nearly one-third of San Francisco's residents and business owners lost power, with
25 some waiting over 24 hours for their power to be restored.

26 33. The CPUC report of the investigation, which was released in 2004, illustrated
27 **PG&E's** careless approach to safety and apparent inability to learn from its past mistakes. An
28 excerpt from the report describes the following:

1 Soon after undertaking the investigation of the 2003 fire, CPSD [CPUC's
2 Consumer Protection and Safety Division] discovered that another fire had
3 occurred at Mission Substation in 1996. CPSD's investigation team
4 conducted a thorough analysis of both fires and found strikingly similar
5 contributing factors and root causes. CPSD's team further determined that
6 **PG&E** had not implemented the recommendations resulting from its own
7 investigation of the 1996 fire. . . .**CPSD finds it quite troubling that**
8 **PG&E did not implement its own recommendations from its own**
9 **investigation of the 1996 fire.**⁵

10 The findings related to the Mission Substation Fire should have been a wake-up call to **PG&E** to
11 revamp its operating procedures to prevent future disasters. Instead, **PG&E's** focus remained on
12 corporate profits, while safety was relegated to the backburner.

13 **8. The 2004 Sims Fire**

14 34. In July 2004, the Sims Fire burned over 4,000 acres of forest land in the Six Rivers
15 and Trinity National Forests. A federal lawsuit alleged that **PG&E** failed to remove a decaying
16 tree, which fell on a transmission line and ignited the blaze.

17 **9. The 2004 Freds Fire**

18 35. The Freds Fire started in October 2004 near Kyburz, El Dorado County, California.
19 A lawsuit filed by the United States Government claimed that employees of **PG&E's** contractor
20 lost control of a large tree they were cutting down. It fell onto a **PG&E** power line and caused a
21 fire that burned over 7,500 acres. **PG&E** and its contractors paid \$29.5 million to settle the
22 lawsuits over the Freds Fire and the Sims Fire.

23 **10. The 2004 Power Fire**

24 36. In October 2004, the Power Fire burned approximately 17,000 acres on the
25 Eldorado National Forest and on private timberlands. A federal lawsuit alleged that the Power
26 Fire was ignited by a lit cigarette that was dropped by a **PG&E** tree trimming contractor. **PG&E**
27 and its contractor paid the federal government \$45 million to settle the lawsuit.

28 **11. The 2005 San Francisco Electrical Explosion**

 37. In August 2005, a **PG&E** electrical transformer exploded in the San Francisco

⁵ <http://docs.cpuc.ca.gov/publishedDocs/published/Report/40886.PDF> (last accessed February 12, 2018).

1 financial district at Kearny and Post Streets, severely burning a woman who had been walking by.
2 A lawsuit by the injured woman settled for an undisclosed sum.

3 **12. The 2008 Rancho Cordova Explosion**

4 38. In December 2008, a gas leak from a **PG&E** pipe caused an explosion in Rancho
5 Cordova, California. This explosion left one person dead, injured several others, and caused over
6 \$260,000 in property damage.

7 39. A National Transportation Safety Board (“NTSB”) investigation revealed that the
8 leak was caused by incorrect repairs performed by **PG&E** in 2006, at which time **PG&E** installed
9 a piece of pipe to patch up an earlier leak. The investigative report for the incident concluded that
10 the walls of the new pipe were too thin, allowing gas to leak from the pipe, and that **PG&E** failed
11 to timely send properly trained personnel to check out the leak, even though **PG&E** had been told
12 several months earlier that its emergency plans fell below required standards. Specifically, the
13 report noted the following:

14 Contributing to the accident was the 2-hour 47-minute delay in the arrival
15 at the job site of a Pacific Gas and Electric Company crew that was properly
16 trained and equipped to identify and classify outdoor leaks and to begin
response activities to ensure the safety of the residents and public.⁶

17 40. In November 2010, the CPUC filed administrative charges against **PG&E** in
18 connection with the Rancho Cordova explosion, alleging that **PG&E** was at fault for the blast and
19 that **PG&E** should have discovered the improper repair job that caused the explosion, but failed
20 to timely do so. As a result, the CPUC required **PG&E** to pay a \$38 million fine.

21 **13. The 2008 Whiskey Fire**

22 41. The June 2008 Whiskey Fire burned more than 5,000 acres of land in the
23 Mendocino National Forest. The fire started when a gray pine tree that did not have the required
24 clearance from a **PG&E** transmission line came into contact with the line. **PG&E** and its
25 contractors agreed to pay \$5.5 million to settle a federal lawsuit.

26
27
28 ⁶ http://docs.cpuc.ca.gov/published/Final_decision/146914-03.htm (last accessed February 12,
2018).

1 **14. The 2009 San Francisco Electrical Explosion**

2 42. In June 2009, a **PG&E** underground electrical vault exploded in San Francisco's
3 Tenderloin neighborhood, sending 30-foot flames and smoke into the air for two hours. This
4 explosion left thousands of people without power.

5 **15. The 2010 San Bruno Explosion**

6 43. On September 9, 2010, **PG&E's** continued disregard of public safety caused the
7 death of eight people, injured 58 people, and destroyed an entire neighborhood in San Bruno,
8 California when one of its gas pipelines exploded and burst into flames. Subsequent to the
9 explosion, the NTSB issued a report that blamed the disaster on **PG&E's** poor management of its
10 pipeline. In January 2011, federal investigators reported that the probable cause of the accident
11 was: (i) **PG&E's** inadequate quality assurance and quality control during its Line 132 pipeline
12 relocation project, which allowed the installation of a substandard and poorly-welded pipe section;
13 and (ii) **PG&E's** inadequate pipeline integrity management program, which failed to detect and
14 remove the defective pipe section.

15 44. As a result, **PG&E** was required to pay substantial fines for its massive safety
16 violations. In April 2015, the CPUC slapped **PG&E** with a \$1.6 billion fine for causing the
17 explosion and diverting maintenance funds into stockholder dividends and executive bonuses.
18 Further, in January 2017, a federal judge convicted **PG&E** of six felony charges and ordered it to
19 pay \$3 million in fines for causing the explosion.

20 45. Due to **PG&E's** corporate culture which repeatedly ignored public safety, the
21 **CPUC** launched an investigation into the manner by which **PG&E** officers, directors, and/or
22 managing agents establish safety policies and practices to prevent catastrophic events. At the
23 beginning of the investigation, the CPUC President called out **PG&E's** ongoing safety violations:

24 Despite major public attention, ongoing CPUC investigations (OII's) and
25 rulemakings (OIR's) into **PG&E's** actions and operations, including the
26 investigations we voted on today, federal grand jury, and California
27
28

Department of Justice investigation, continued safety lapses at PG&E continue to occur.⁷

16. The 2011 Cupertino Explosion

46. After the San Bruno explosion, in September 2011, **PG&E** caused a gas explosion that partially engulfed a condominium in Cupertino, California. The explosion was the result of cracked Aldyl-A plastic pipe.

47. Prior to the explosion, the manufacture of Aldyl-A, the NTSB, and the federal Pipeline and Hazardous Materials Safety Administration had all issued warnings about this type of plastic pipe that was prone to premature brittleness, cracking, and failure dating back to at least 2002. Despite these warnings and **PG&E's** knowledge of this risk, **PG&E** did nothing to prevent the explosion. Although some utilities around the United States had been replacing Aldyl-A pipes, **PG&E** did not have a replacement program to phase them out and adequately protect the public.

17. The 2014 Carmel Explosion

48. In March 2014, a home in Carmel, California was destroyed due to a gas explosion caused by **PG&E**. Prior to the explosion, **PG&E** was attempting to replace a gas distribution line, but **PG&E's** legally inadequate records did not show that the steel pipe had a plastic insert. When crews dug into the steel pipe to perform the replacement, the unknown plastic insert was pierced, allowing gas to leak through the pipe and into the residence.

49. The CPUC once again required **PG&E** to pay a massive fine because of their wrongdoing. In August 2016, the CPUC imposed a \$25.6 million fine on **PG&E**. With a \$10.85 million citation previously paid by **PG&E** in 2015 for the explosion, **PG&E** was required to pay a total of over \$36 million in penalties for its shoddy recordkeeping and disregard of public safety.

18. The 2015 San Francisco Transformer Explosion

50. In September 2015, a **PG&E** underground transformer exploded in San Francisco's Bernal Heights neighborhood. This explosion injured two people, one of them critically.

⁷ http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Commissioners/Michael_J_Picker/PresidentPickerCommentsonPGESafetyCultureandEnforcementTheory.pdf (last accessed February 12, 2018).

1 **19. The 2015 Butte Fire**

2 51. Tragedy struck yet again in September 2015, when **PG&E's** inadequate and
3 ineffective vegetation management programs resulted in the Butte Fire in the Sierra foothills. The
4 Butte Fire burned for 22 days across Amador and Calaveras Counties, killed two people, destroyed
5 921 homes and/or structures, and charred over 70,000 acres.

6 52. Similar to the other disasters caused by **PG&E's** wrongdoing, the Butte Fire could
7 have been prevented by **PG&E**. The Butte Fire was ignited by a gray pine tree that grew and came
8 into contact with one of **PG&E's** power lines. **PG&E** knew that gray pines posed the highest risk
9 of catastrophic wildfires, but failed to identify and/or remove the dangerous tree pursuant to its
10 vegetation management practices. Instead, **PG&E** removed the two trees surrounding the gray
11 pine at issue, which exposed the gray pine to sunlight and allowed it to quickly come into contact
12 with **PG&E's** power line. Indeed, in **PG&E's** prepared testimony to the Public Utilities
13 Commission Safety Model Assessment Proceeding, dated May 1, 2015, the company expressly
14 stated that it was accepting the risk posed by outages in the range of 17 per 1,000 miles, less than
15 0.02 percent of trees in contact with its lines, and a small number of wildfires caused by **PG&E**
16 equipment each year. As such, **PG&E** consciously chose not to mitigate those risks further,
17 thereby exposing Plaintiffs to the risk of wildfire.

18 53. Subsequent to the Butte Fire, in April 2017, the CPUC fined **PG&E** a total of \$8.3
19 million for “failing to maintain its 12kV overhead conductors safely and properly” and failing to
20 maintain a minimum distance between its power lines and vegetation. Cal Fire also sent **PG&E** a
21 bill for \$90 million to cover state firefighting costs. Despite these consequences, **PG&E** did not
22 change, revise, or improve any of its vegetation management practices after the Butte Fire, paving
23 the way for another massive wildfire.

24 **20. PG&E's Conduct After the Butte Fires Reflect Its Conscious**
25 **Disregard for Public Safety**

26 54. The Butte Fire was not an isolated incident, as shown by **PG&E's** long history of
27 safety lapses that caused injury or death to many California residents, and destroyed or damaged
28 their property.

1 55. The North Bay Fires started approximately three years after the Butte Fire, where
2 a 44-foot tall, weak and spindly gray pine tree that should have been removed by **PG&E** struck a
3 12,000-volt overhead power line that was owned and operated by **PG&E**. The resulting fire
4 burned for 22 days, killing two people, burning over 70,000 acres, destroying and damaging 475
5 residences, 343 outbuildings, and 45 other structures. The fire also left tens of thousands of dead
6 or dying trees and the risk of water pollution and erosion in its wake. Thousands of people were
7 forced to evacuate their homes, and thousands were damaged in their person and property.

8 56. **PG&E's** actions leading up to the Butte Fire illustrate its conscious disregard of
9 public safety, as follows:

- 10 • *First, **PG&E chose** to not ensure that properly qualified and trained inspectors*
11 *were being used by its contractors to identify hazard trees.*
- 12 • *Second, **PG&E chose** not to verify that its quality assurance audits were*
13 *properly conducted.*
- 14 • *Third, **PG&E directed** its inspection contractor to hire inspectors that they*
15 *knew did not meet the minimum qualifications required by **PG&E's** own*
16 *specifications.*
- 17 • *Fourth, **PG&E chose** not to train inspectors on **PG&E's** hazardous tree rating*
18 *system ("HTRS").*
- 19 • *Fifth, **PG&E chose** not to verify that its contractor trained inspectors on the*
20 *HTRS.*
- 21 • *Sixth, **PG&E chose** not to require inspectors to use the HTRS.*
- 22 • *Seventh, **PG&E knew** that wildfires caused by contact between vegetation and*
23 *its power lines posed the highest degree of risk to the public.*
- 24 • *Eighth, **PG&E knew** that its vegetation management program failed to identify*
25 *over 500,000 trees annually that were closer than the required distance away*
26 *from its power lines.*

- *Ninth*, **PG&E knew** that its inspectors failed every year to identify tens of thousands of “facility protect trees” or “hazard trees” that were dead, diseased, and/or dying, or that otherwise posed a risk of contacting a power line.
- *Finally*, **PG&E did nothing** to remove those trees, one of which was the 44-foot tall, weak, and spindly gray pine tree that started the Butte Fire.

57. In April 2017, the CPUC fined **PG&E** a total of \$8.3 million because of the Butte Fire for “failing to maintain its 12kV overhead conductors safely and properly” and failing to maintain a minimum distance between its power lines and vegetation. Cal Fire also sent **PG&E** a bill for \$90 million to cover state firefighting costs.

58. After the Butte Fire, **PG&E** did not change, revise, or improve any of its vegetation management practices, and its managers, executives, and directors astoundingly and repeatedly testified at their depositions that none of **PG&E’s** programs had failed to prevent the Butte Fire, and that none of **PG&E’s** employees had done anything at all to contribute to the cause of the Butte Fire. This blind arrogance paved the way for the future disasters that came to pass with the ignition of the North Bay Fires in October 2017.

C. THE NORTH BAY FIRES BROUGHT DEATH AND DESTRUCTION TO NORTHERN CALIFORNIA

59. On Sunday, October 8, 2017, tragedy struck communities across Northern California when a series of fires began to spark and spread. These deadly fires quickly spread through neighborhoods and destroyed everything in their path, including residences, vegetation, structures, and businesses.

60. The North Bay Fires are collectively the most destructive fires in California’s history. In just a few weeks, the fires caused the deaths of at least 44 people, hospitalized over 185 individuals, displaced about 100,000 people who were forced to leave their homes and search for safety, burned over 245,000 acres, and damaged or destroyed an estimated 14,700 homes, 3,600 vehicles, and 728 businesses.

61. **PG&E** caused and/or contributed to causing the North Bay Fires. As the North Bay Fires started to rage, emergency responders received many calls regarding electrical problems,

1 transformer explosions, transformer fires, arcing transformers, down power lines, arcing power
2 lines, and/or flames in trees.⁸ Witnesses observed, reported and described downed power lines,
3 exploding transformers, improper fuses, improper connections, improper clearances, aged and
4 defective poles, and unrepaired poles in the areas in and around the North Bay Fires.

5 62. Following the same negligent conduct that led to the Butte Fire, **PG&E** continued
6 to adhere to the practices that served to increase the risk of wildfires leading up to the North Bay
7 Fires:

- 8 • Reclosers in **PG&E's** system were set to avoid outages and not to avoid fires,
9 even though fire conditions were known to be extreme.
- 10 • **PG&E** failed to have a reasonable system in place to make sure its contractors
11 were properly performing tree and/or vegetation inspections and removal, pole
12 clearance, and pole inspections.
- 13 • **PG&E** failed to take any steps to look for what it calls "Facility Protect Trees"
14 (trees that pose a risk of falling into the line), even though it knew such trees
15 were likely to exist after its contractors had performed their work.
- 16 • **PG&E** failed to properly construct its power lines and thereafter failed to take
17 reasonable steps to make sure the poles and lines were sufficiently strong to
18 support lines and other equipment that were added by third parties.
- 19 • **PG&E** chose to not ensure that its contractors were properly trained in tree
20 inspections and removal.
- 21 • **PG&E** chose to not ensure that its contractors hired people who met **PG&E's**
22 minimum qualifications.
- 23 • **PG&E** chose to not participate in the training of its contractors.

24 63. **PG&E** owes the public a non-delegable duty with regard to the operation of its
25 power lines, which includes maintenance, inspection, repair, vegetation management, and/or all
26 other obligations imposed by the Public Utilities Code and the CPUC, specifically including, but
27

28 ⁸ <http://www.mercurynews.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires>

1 not limited to, General Orders Numbers 95 and 165. Even when **PG&E** chooses to hire
2 contractors, its obligations remain non-delegable. **PG&E's** acts and omissions, as described
3 herein, were a cause of the North Bay Fires and/or aggravated the spread of the fires and
4 destruction left in their path.

5 64. **PG&E** responded to the North Bay Fires by acknowledging that there were
6 problems with its electrical equipment the night the North Bay Fires began. However, **PG&E**
7 blamed its failing electrical equipment on winds combined with “millions of trees weakened by
8 years of drought and recent renewed vegetation growth from winter storms.”⁹ However, the fault
9 lies with **PG&E**. Knowing the effects of the drought on vegetation near its power lines, **PG&E**
10 had a duty to inspect and maintain that vegetation to minimize and avoid risk of fire, injury, death
11 and harm to the public, but **PG&E** failed to do so.

12 65. At all times relevant to this action, **PG&E** had specific knowledge that the greatest
13 risk to the public from its operations was wildfire. **PG&E** knew that wildfire could result in death
14 and injury to members of the public and could result in the destruction of structures and property.

15 66. Despite such knowledge, **PG&E** chose to accept vegetation management that
16 would result in 17 tree-related outages for each 1,000 miles of lines, despite knowing that such
17 outages could result in wildfires that would cause injury, death, harm, and property destruction.

18 67. **PG&E** has acknowledged and at all times relevant to this action knew that it was
19 not adequately directing resources to its vegetation management program to reduce the risk of
20 wildfire. **PG&E** cited its limited resources as the reason it chose to put the public in danger, while
21 at the same time it was receiving approximately \$1,400,000,000 in profits each year. **PG&E's**
22 decision-making and practices resulted in numerous deaths, injuries, and damage to structures and
23 property, just as **PG&E** knew it could when it implemented such choices and practices.

24 **D. THE IMPACT OF THE NORTH BAY FIRES ON THE WINE INDUSTRY**

25 68. Sonoma County has 17 unique regions, and more than 60 grape varieties thrive in
26 the County. Each growing region and every vineyard is distinctive, with the climate, soils, and/or
27

28 ⁹ <http://www.pgecurrents.com/2017/10/11/pge-statement-on-north-bay-wildfires/> (last accessed February 12, 2018).

1 site creating unique characteristics. Forty percent of Sonoma County's vineyards are less than 40
2 acres, and 80 percent are less than 100 acres. More than 85 percent of Sonoma County's vineyards
3 are family-owned and operated. One in four Sonoma County jobs are in the wine industry. Due
4 to the geological activity in Sonoma County, the County has a greater diversity of soils than all of
5 France. Chardonnay is the most abundant varietal in Sonoma County, with over 15,000 planted
6 vineyard acres. Further, more Pinot Noir grapes are planted in Sonoma County than any other red
7 grape, with over 12,500 acres.

8 69. Further, Napa Valley is one of the most renowned winegrowing regions in the
9 world. Napa Valley contains about 45,000 acres under cultivation. It also has one of the most
10 diverse soils in the world, including half of the world's 12 recognized soil orders and 33 different
11 soil series. Napa Valley also contains more than 34 different wine grapes. Twenty-three percent
12 of its planted acreage is to white wine grapes and 77 percent is red wine grapes. The Napa Valley
13 is best known for its Cabernet Sauvignon variety (47 percent or 20,342 acres) followed by
14 Chardonnay (14 percent or 6,397), Merlot, Sauvignon Blanc, Pinot Noir, and then Zinfandel.
15 There are 700 grape growers in Napa County, 475 physical wineries, and over 1,000 different wine
16 brands. Ninety-five percent of the wineries in Napa Valley are family-owned. The local wine
17 industry and related businesses provide an annual economic impact of over \$13 billion locally and
18 over \$50 billion in the United States, which results in 46,000 jobs locally and 300,000 jobs
19 nationally.

20 70. The North Bay Fires caused significant damage to the entire wine industry in
21 Northern California, including physical damage to vineyards, tasting rooms, houses, machinery,
22 and the surrounding land. The fire damage and destruction also reduced the value of affected
23 property, and will reduce the resale value and development potential for such property.

24 71. In addition to damage and destruction of real and personal property, the North Bay
25 Fires caused widespread economic losses to businesses throughout the region, and will continue
26 to do so into the future. Businesses have incurred and will continue to incur economic losses due
27 to inability to operate their businesses, loss of access to their business locations, and/or inability
28

1 of staff and employees to reach the business. In addition, wine supplies were adversely affected,
2 including but not limited to the taste of wine, for many years to come.

3 72. Many businesses in Northern California derive significant business from tourists
4 and other out-of-region customers. These businesses have suffered and will continue to suffer
5 economic loss due to these tourists and out-of-region customers choosing not to visit Northern
6 California in the aftermath of the North Bay Fires.

7 73. Individual employees of affected businesses also incurred and will continue to incur
8 economic losses due to the inability of businesses to operate, be accessed, and/or attract or service
9 customers due to the North Bay Fires. Businesses have incurred and will continue to incur
10 economic losses due to the chemical retardant that was used to put out the North Bay Fires. Cal
11 Fire dumped several million gallons to try to control the blazes. The chemical used kills the plants
12 it comes into contact with and also harms the soil. Organic businesses incurred and will continue
13 to incur economic losses due to the foreseeable use of chemical retardant because the product
14 contains fertilizer-type materials that will ruin an organic accreditation. These conditions are
15 ongoing and will continue for an unknown time into the future.

16 74. The wine industry is investigating to what extent the taste of grapes harvested
17 during this past season was altered by the North Bay Fires. The grapes on the vines that survived
18 the North Bay Fires may suffer from “smoke taint” and be unusable for winemaking or otherwise
19 be of reduced value. Part of the investigation is whether smoke permeated into plants’ leaves or
20 the skin of the grapes, which will only be revealed during fermentation. If damage is present, this
21 condition severely damages flavor and the “nose” of a wine. In bad cases, a wine can take on the
22 taste of a “dirty ashtray” or smell like a “smoked fish.” This would directly affect wines sold from
23 the 2017 harvest season but may also affect the overall market reputation and value of wines
24 coming from Napa and Sonoma Counties and/or the surrounding regions for years to come.

25 75. Wines made from grapes harvested before the North Bay Fires may also be
26 damaged. Many wineries lost power during the fires. Without power, the fermentation process
27 may accelerate too quickly, ruining the wines. Reserves of wines aging in barrels and bottles may
28 also be lost to smoke and heat damage.

1 76. Further, the North Bay Fires damaged soils, which can impact the taste and quality
2 of wines grown in the regions far into the future. Many wine growers cultivate the soil and break
3 down their land into subplots sharing similar characteristics, called “natural” or “basic terroir
4 units.” The concept of terroir reflects the idea that each particular piece of land imparts its own
5 unique flavor to the grapes. Those who lost vineyards may have to wait as many as three to five
6 years to return the soil to a place where they can produce a viable crop of grapes. The delay for
7 viable grapes may be much longer for growers who suffered physical damage to their vines. At a
8 minimum, grape vines will not produce viable fruit for three years. As destroyed vines are
9 replanted, growers may be forced to remediate their soils or wait out the natural restoration of their
10 soils before infant vines can be planted. Cumulatively, some growers may be looking at an eight
11 year delay before parts of their vineyard can produce viable grapes. For growers who lost “old
12 vines,” the delay before a comparable crop can be produced may be decades.

13 77. There are more than 100,000 vine-growing acres in Napa County, Sonoma County,
14 and the surrounding areas, but the full damage to the vines cannot be seen yet. It may take at least
15 two years to fully understand if each vine is still viable or how its growth patterns were altered.
16 The viability of the vines depends on where they were burned. The part of the vine which creates
17 fruit is grafted onto different, hardier rootstock, so it has a better chance to grow and be resistant
18 to disease. Thus, even if the roots were undamaged, the rootstock does not produce grapes which
19 are desirable for winemaking. Whether the vine will remain fruitful is also dependent on the extent
20 of the damage. For example, scorched vines will not produce as much fruit. The worst case
21 scenario is when the trunk of the plant is damaged. If a substantial portion of the trunk is destroyed,
22 there is no saving a vine. A vine does not actually have to catch fire to be harmed, even just
23 exposure to heat from adjacent burning can cause damage. Slightly damaged vines are also
24 vulnerable to damaging pathogens like fungi. Each of these lost vines represents many hours of
25 human labor, skill, and artistry. They cannot be easily replaced. Each vine has been manipulated
26 for decades to develop a particular taste or a quality, such as the thickness of the grapes’ skin.
27 Furthermore, it takes at least three years for a vine to produce usable fruit, and the higher quality
28 grapes come from more mature vines. Many of the vines in the areas impacted by the North Bay

1 Fires were thirty to forty years old. Certain vines were more than a century old and brought to the
2 United States in the “baggage of a European immigrant.”

3 78. The North Bay Fires also caused a huge risk of erosion. Businesses have and will
4 incur damage to personal and real property, business losses, and/or other damages related to
5 preparing for and/or preventing erosion, runoff, and/or debris flow for an unknown period of time.

6 79. Beyond the damage to their properties, vines, and/or inventories, the North Bay
7 Fires also reduced tourism for wineries. Last year, California wineries drew more than 23 million
8 visits and earned more than \$7.2 billion in tourist-related income, most of which was spent in Napa
9 and Sonoma Counties. Northern California receives most of its tourists around the fall harvest
10 season, and October is typically among the busiest months for hotels and other tourism-related
11 industries in Northern California. Many hotels had to evacuate and close their properties because
12 of the North Bay Fires. If they reopened, they housed emergency responders, evacuees, and/or
13 insurance groups at lower rates. However, news of the North Bay Fires drove away visitors and/or
14 lead them to choose other destinations. Many come to Northern California to appreciate its
15 picturesque valleys and the natural beauty of the verdant landscape. Even when businesses are
16 able to reopen, it is hard to say when the environment will be able to recover.

17 **E. THE DEADLY AND DESTRUCTIVE NORTH BAY FIRES**

18 **1. The Atlas Fire**

19 80. The devastating Atlas Fire that tore through Napa and Solano Counties was one of
20 California’s most destructive wildfires. The Atlas Fire killed six people, burned approximately
21 51,600 acres, and damaged or destroyed at least 571 homes, wineries, and other structures in Napa
22 and Solano counties.

23 81. Thousands of residents were displaced and forced to flee in the dark hours before
24 dawn when the fire grew and spread. Many left on only a moment’s notice, fleeing from flames
25 without their belongings, as their neighborhoods were consumed by smoke and fire.
26
27
28

1 82. Cal Fire reported that the origin of the Atlas Fire was at or near Atlas Peak Road,
2 south of Lake Berryessa. Cal Fire also reported that the Atlas Fire started at or around 9:52 p.m.
3 on Sunday, October 8, 2017.¹⁰

4 83. Contemporaneous calls and reports indicated trees hitting **PG&E** power lines
5 and/or problems with other electrical equipment at or around the time and place the Atlas Fire
6 started. For example, in Napa County, a live oak tree and a live oak branch fell and struck two
7 electricity distribution lines near the City of Napa.

8 84. As described in **PG&E** Electric Safety Incident Report No. 171020-8589, on
9 October 19, 2017, **PG&E** identified a broken tree limb and broken field-phase primary insulator
10 on the Pueblo 1104 **PG&E** facility at or near 4011 Atlas Peak Road, Napa, California. The
11 incident report notes, “An approximately 25 foot tree limb fell from a White Oak that was rooted
12 approximately 15 feet from the distribution conductors.” This incident occurred the day the Atlas
13 Fire began.¹¹

14 85. As described in **PG&E** Electric Safety Incident Report No. 171023-8596, on
15 October 21, 2017, “**PG&E** identified a 19-inch diameter Oak tree, approximately 45 feet tall, that
16 broke at the base and took down one phase of the Pueblo 1104 (12 kV) Circuit near 3683 Atlas
17 Peak Road. The butt of the Oak tree was completely burned and located 10 to 15 feet from the
18 distribution conductors.”¹²

19 86. Shortly after the fire, Cal Fire investigators were observed along Atlas Peak Road
20 looking closely at a line of oak trees whose branches extended through overhead utility lines on
21 the west side of the road, less than a quarter mile south of a sprawling ranch on the plateau of a
22 Napa peak. A twisted, fallen wire lay on the ground, surrounded by stake flags. A broken oak
23 branch precariously dangled overhead among the wires and other branches.¹³

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25
26 ¹⁰ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1866 (last accessed
February 12, 2018).

27 ¹¹ <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

28 ¹² *Ibid.*

¹³ <http://www.sfchronicle.com/news/article/where-the-blazes-began-12294729.php> (last accessed
February 12, 2018).

1 **2. The Cascade/LaPorte Fires**

2 87. The Cascade and LaPorte Fires forced scores of individuals to evacuate in the dark
3 hours before dawn as the fires grew and spread. Many left on only a moment's notice, fleeing
4 from flames without their belongings, as their neighborhoods were consumed by smoke and fire.
5 Collectively, the Cascade and LaPorte Fires killed approximately four people and destroyed over
6 450 structures and homes.

7 88. Cal Fire reported that the origin of the Cascade Fire was at or near the intersection
8 of Cascade Way and Marysville Road, north of Collins Lake, California. The Cascade Fire started
9 at or around 11:03 p.m. on Sunday, October 8, 2017, and burned approximately 9,989 acres in
10 Yuba County.¹⁴

11 89. Witnesses saw and/or reported trees hitting **PG&E** electrical lines and/or problems
12 with other electrical equipment at or around the same time and place the Cascade Fire started. For
13 example, in the half hour before the fire began, firefighters responded to at least two trees falling
14 into power lines and power lines falling across the road. When emergency responders headed to
15 the Cascade Fire, they warned each other of downed power lines to ensure firefighter safety.¹⁵

16 90. Cal Fire reported that the origin of the LaPorte Fire was at or near the intersection
17 of LaPorte Road and Oro Bangor Highway, Bangor, California. The LaPorte Fire started at or
18 around 12:57 a.m. on early Monday, October 9, 2017, and burned approximately 6,151 acres in
19 Butte County.¹⁶ The Cascade and LaPorte Fires merged later that week.

20 91. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
21 and/or problems with other electrical equipment at or around the same time and place the LaPorte
22 Fire started. **PG&E** Electrical Safety Incident Report No. 171013-8569 shows that at or around
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26 ¹⁴ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1871 (last accessed
February 12, 2018).

27 ¹⁵ <https://www.mercurynews.com/2017/10/17/yuba-countys-cascade-fire-bore-similar-hallmarks-to-wine-country-fires/> (last accessed February 12, 2018).

28 ¹⁶ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1870 (last accessed
February 12, 2018).

1 11:20 p.m. on October 8, 2017, an oak tree limb broke and hit a nearby electrical wire at or near
2 167 Darby Road, Bangor, California.¹⁷

3 **3. The Cherokee Fire**

4 92. Cal Fire reported that the origin of the Cherokee Fire was at or near the intersection
5 of Cherokee Road and Zonalea Lane in Oroville, California. Cal Fire also reported that the
6 Cherokee Fire started on Sunday, October 8, 2017, at or around 9:45 p.m. The fire burned
7 approximately 8,417 acres and destroyed 6 structures in Butte County.¹⁸

8 93. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
9 and/or problems with other electrical equipment at or around the same time and place the Cherokee
10 Fire started. **PG&E** Electric Safety Incident Report No. 171010-8557 shows that at or around
11 9:45 p.m. on October 8, 2017, an incident caused a broken tree limb and wires to come down on
12 the Clark Road 1102 **PG&E** facility at or near 3401 Cherokee Road, Oroville, California. The
13 tree was rooted approximately 15 feet from **PG&E** distribution conductors at approximately the
14 same location as the fire origin reported by Cal Fire.¹⁹

15 **4. The Honey Fire**

16 94. Cal Fire reported that the origin of the Honey Fire was at or near the intersection of
17 Honey Run Road and Merlin Lane, southwest of Paradise, California. Cal Fire also reported that
18 the Honey Fire started on Monday, October 9, 2017, at or around 3:05 p.m. The fire burned
19 approximately 150 acres in Butte County.²⁰

20 95. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
21 and/or problems with other electrical equipment at or around the same time and place the Honey
22 Fire started. Witnesses observed downed power lines, exploding transformers, improper fuses,
23 improper connections, improper clearances, aged and defective poles, unrepaired poles, problems

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26 ¹⁷ <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

27 ¹⁸ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1865 (last accessed
February 12, 2018).

28 ¹⁹ <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

²⁰ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1880 (last accessed
February 12, 2018).

1 with other electrical equipment, and/or down trees, tree limbs, and/or other vegetation in the area
2 in and around the Honey Fire.

3 **5. The Lobo Fire**

4 96. Cal Fire reported that the origin of the Lobo Fire was at or near Lone Lobo Trail
5 near Rough and Ready, California. Cal Fire also reports that the Lobo Fire started on early
6 Monday, October 9, 2017, at or around 12:01 a.m. The fire burned approximately 821 acres in
7 Nevada County.²¹

8 97. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
9 and/or problems with other electrical equipment at or around the same time and place the Lobo
10 Fire started. **PG&E** Electric Safety Incident Report No. 171012-8565 shows that at or around
11 11:20 p.m. on October 8, 2017, a ponderosa pine tree fell on the Narrows 2102 **PG&E** Circuit at
12 or near 11218 Lone Lobo Trail, Nevada City, California. The tree was rooted approximately 50
13 feet from **PG&E** distribution conductors at approximately the same location as the fire origin
14 reported by Cal Fire.²²

15 **6. The Maacama or No Name Fire**

16 98. The “Maacama” or “No Name” Fire was first reported at approximately 10:01 p.m.
17 on Sunday, October 8, 2017, and originated near Maacama Lane and Chalk Hill Road in
18 Healdsburg just east of Maacama Creek.²³

19 99. The Maacama Fire forced two families to flee their homes shortly before they were
20 destroyed by the fire, and burned approximately 50 acres, including sections of a vineyard.

21 **7. The McCourtney Fire**

22 100. Cal Fire reported that the origin of the McCourtney Fire was at or near the
23 intersection of McCourtney Road and Highway 20 in Grass Valley, California. Cal Fire also
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26 ²¹ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1877 (last accessed
27 February 12, 2018).

²² <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

28 ²³ Cal Fire did not give the “Maacama Fire” a name. It is also known to local residents as the “No
Name Fire” due to its proximity to No Name Road.

1 reported that the McCourtney Fire started on early Monday, October 9, 2017, at or around 12:00
2 a.m. The fire burned approximately 76 acres in Nevada County and destroyed 13 structures.²⁴

3 101. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
4 and/or problems with other electrical equipment at or around the same time and place the
5 McCourtney Fire started. **PG&E** Electric Safety Incident Report No. 171011-8563 shows that at
6 or around 11:00 p.m. on October 8, 2017, a broken ponderosa pine tree and wire were down on
7 the Grass Valley 1103 **PG&E** Circuit near 11253 Orion Way, Grass Valley, California. The tree
8 was rooted approximately 6 to 8 feet from **PG&E** distribution conductors and took down 3 primary
9 conductors at approximately the same location as the fire origin reported by Cal Fire.²⁵

10 **8. The Nuns Fire**

11 102. The Nuns Fire forced scores of individuals to evacuate in the dark hours before
12 dawn as the fire grew and spread. Many left on only a moment's notice, fleeing from flames
13 without their belongings, as their neighborhoods were consumed by smoke and fire. The Nuns
14 Fire merged with the Adobe, Norrbom, Oakmont, Partrick, and Pressley Fires (collectively, the
15 "Nuns Fire"). These fires claimed two lives and destroyed approximately 1527 structures and
16 homes.²⁶

17 103. Cal Fire reported that the origin of the Nuns Fire was at or near Highway 12 north
18 of Glen Ellen, California. Cal Fire also reported that the Nuns Fire started on Sunday, October 8,
19 2017, at or around 10:00 p.m. The fire burned approximately 56,556 acres in Napa and Sonoma
20 Counties.²⁷

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25 ²⁴ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1872 (last accessed
February 12, 2018).

26 ²⁵ <http://cpuc.ca.gov/pgefireincidentreports> (last accessed February 12, 2018).

27 ²⁶ <http://www.latimes.com/projects/la-me-northern-california-fires-structures> (last accessed
February 12, 2018).

28 ²⁷ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1868 (last accessed
February 12, 2018).

1 104. Cal Fire also reported that the origin of the Partrick Fire, the first fire to merge with
2 the Nuns Fire, was off Partrick Road west of Napa, California. The Partrick Fire started on Sunday,
3 October 8, 2017, at or around 11:48 p.m. and burned in Napa County.²⁸

4 105. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
5 and/or problems with other electrical equipment at or around the same time and place the Nuns
6 Fire started. At least ten of the calls reported electrical problems, transformer explosions,
7 transformer fires, arcing transformers, down power lines, arcing power lines, and/or flames in
8 trees. Further, several calls reported problems with electrical equipment in the vicinity of the Nuns
9 Fire, including a call at approximately 9:43 p.m. reporting trees and wires down and a call at
10 approximately 10:40 p.m. reporting a blown transformer.²⁹

11 106. **PG&E** Electric Safety Incident Report No. 171010-8558 shows that at or around
12 10:00 p.m. on October 8, 2017, a broken eucalyptus tree and wire was down on the Dunbar 1101
13 **PG&E** facility at or near 8555 Sonoma Highway near Kenwood, California. The tree was rooted
14 approximately 50 feet from **PG&E** fallen lines, and took down 3 primary conductors.³⁰ Further,
15 **PG&E** Electric Safety Incident Report No. 171016-8576 shows that at or around 1:00 a.m. on
16 October 9, 2017, an alder tree broke at the top and fell on an open wire at or near 1210 Nuns
17 Canyon Road near Glen Ellen, California. The tree was rooted approximately 30 feet from **PG&E**
18 overhead secondary distribution conductors.³¹ The sites of these **PG&E** incidents are near or the
19 same location as the two origin locations of Nuns Fire origin reported by Cal Fire.

20 107. At or around the start time of the Nuns Fire, **PG&E's** website for electrical outages
21 reported two outages at or very near the origin of the Nuns Fire. The first outage was reported at
22 10:31 p.m. on October 8, 2017, stating "found a broken power pole in the area." The second
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26 ²⁸ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1869 (last accessed
February 12, 2018).

27 ²⁹ <http://www.mercurynews.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires> (last
accessed February 12, 2018).

28 ³⁰ <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

³¹ *Ibid.*

1 **PG&E** outage at or near the origin of the Nuns Fire was reported at 11:50 p.m. on October 8, 2017,
2 stating “found a broken power pole in the area.”³²

3 108. For the Partrick Fire, **PG&E** Electric Safety Incident Report No. 171020-8586
4 shows that on or around October 8, 2017, an oak tree fell and took down one phase of the Pueblo
5 2103 **PG&E** Circuit at or near 1721 Partrick Road near Napa, California. The tree was rooted
6 approximately 44 feet from **PG&E** distribution conductors at or near the same location as the
7 origin of the Partrick Fire reported by Cal Fire.³³ After the fire was extinguished, witnesses
8 observed Cal Fire investigators looking at downed power lines near the suspected origin point of
9 the Partrick Fire.³⁴

10 109. Further, at or near the start time of the Partrick Fire, **PG&E**’s website reported four
11 separate outages at or very near the origin of the Partrick Fire. All four outages reflected the same
12 outage cause: “found a broken power pole in the area.” The date and time stamps were the same
13 as well: 1:47 a.m. on October 9, 2017.³⁵

14 9. The Pocket Fire

15 110. Cal Fire reported that the origin of the Pocket Fire was at or near the intersection
16 of Pocket Ranch Road and Ridge Ranch Road in Geyserville, California. Cal Fire also reported
17 that the Pocket Fire started on early Monday, October 9, 2017, at or around 3:30 a.m. The fire
18 burned approximately 17,357 acres in Sonoma County.³⁶

19 111. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
20 and/or problems with other electrical equipment at or around the same time and place the Pocket
21 Fire started. **PG&E** Electric Safety Incident Report No. 171021-8592 shows that at or around
22 3:30 a.m. on October 9, 2017, there was a broken oak tree limb and wire down on the Cloverdale
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24 ³² These quotes appeared on https://m.pge.com/?WT.pgeac=Home_Outages#outages but are no
25 longer available on that site.

26 ³³ *Ibid.*

27 ³⁴ <http://www.sfchronicle.com/news/article/where-the-blazes-began-12294729.php> (last accessed
28 February 12, 2018).

³⁵ These quotes appeared on https://m.pge.com/?WT.pgeac=Home_Outages#outages but are no
longer available on that site.

³⁶ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1883 (last accessed
February 12, 2018).

1 1102 **PG&E** facility near the intersection of Ridge Ranch Road and Ridge Oaks Road near
2 Geyserville, California. The tree was rooted approximately 15 feet from **PG&E's** lines at
3 approximately the same location as the fire origin reported by Cal Fire.³⁷

4 **10. The Point Fire**

5 112. Cal Fire reported that the origin of the Point Fire was at or near the intersection of
6 Highway 26 and Higdon Road in West Point, California. Cal Fire also reported that the Point Fire
7 started on early Monday, October 9, 2017, at or around 1:10 a.m. The fire burned approximately
8 130 acres in Calaveras County.³⁸

9 113. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
10 and/or problems with other electrical equipment at or around the same time and place the Point
11 Fire started. **PG&E** Electric Safety Incident Report No. 171009-8554 shows that at or around
12 10:00 a.m. on October 9, 2017, there was a broken tree limb and wire down on the West Point
13 1102 **PG&E** facility at or near 22894 Highway 26, West Point, California. The tree was rooted
14 approximately 50 feet from **PG&E's** distribution conductors at approximately the same location
15 as the fire origin reported by Cal Fire.³⁹

16 **11. The Redwood Valley/Potter Fires**

17 114. Cal Fire reported that the origin of the Redwood Valley Fire was north of Highway
18 20, west of Mendocino National Forest, and south of Black Bart, California, and that it started on
19 October 8, 2017, at or around 11:36 p.m. Cal Fire also reported that the origin of the Potter Fire
20 was near Busch Lane in Potter Valley, California. The fires merged into each other and became
21 commonly referred to as the Redwood Valley Fire. Collectively, the fires burned approximately
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26 ³⁷ <http://cpuc.ca.gov/pgefireincidentreports> (last accessed February 12, 2018).

27 ³⁸ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1875 (last accessed
February 12, 2018).

28 ³⁹ <http://cpuc.ca.gov/pgefireincidentreports> (last accessed February 12, 2018).

36,526 acres in Mendocino County, and destroyed or damaged around 588 homes and structures.⁴⁰
The fires claimed the lives of 8 individuals, including a 14-year old boy.⁴¹

115. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines and/or problems with other electrical equipment at or around the same time and place the Redwood Valley and Potter Fires started. **PG&E** Electric Safety Incident Report No. 171009-8553 shows that at or around 11:35 p.m. on October 8, 2017, there was a wire down and broken tree near structure 0/8 of the **PG&E** Potter Valley-Mendocino transmission line in Potter Valley, California. **PG&E** found a broken tree top near the downed conductor. The tree was rooted approximately 60 feet from **PG&E**'s transmission line at approximately the same location as the fire origin reported by Cal Fire.⁴²

116. It was difficult for firefighters to access the Redwood Valley and Potter Fires because of downed power lines and trees. Local county officials reported that within 30 minutes of the fire dispatch coming in, Cal Fire dispatched every available Cal Fire unit except one, and local dispatchers fielded hundreds of calls reporting power outages and fires.⁴³

12. The Sullivan Fire

117. The Sullivan Fire was first reported at approximately 12:17 a.m. on Monday, October 9, 2017, and originated near 4822 Sullivan Way in Santa Rosa, California.

118. The Sullivan Fire forced families to flee the area in the middle of the night before it destroyed several homes located on Sullivan Way.

119. Contemporaneous calls and reports indicated arcing activity or problems with **PG&E** electrical equipment at the same time and place the Sullivan Fire started. **PG&E** Electric Safety Incident Report No. 171015-8573 shows that fire damaged two structures "at or near 4818 Sullivan Way" and upon arrival at the scene, **PG&E** "noticed a possible issue with the secondary

⁴⁰ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1874 (last accessed February 12, 2018).

⁴¹ <http://krcrtv.com/archive/remembering-the-victims-8-dead-from-redwood-valley-fire> (last accessed February 12, 2018).

⁴² <http://cpuc.ca.gov/pgfireincidentreports> (last accessed February 12, 2018).

⁴³ <http://www.ukiahdailyjournal.com/article/NP/20171109/NEWS/171109874> (last accessed February 12, 2018).

conductor.”⁴⁴

13. The Sulphur Fire

120. Hundreds of residents were displaced and forced to evacuate in the dark hours before dawn as the Sulphur Fire grew and spread. In Clearlake Park, residents had to be picked up off their docks by boat patrols to escape the raging flames.⁴⁵ Other residents with homes on Gooseneck Point were trapped by the fire and had to flee by rowboat. Many other residents left on only a moment’s notice, fleeing from flames without their belongings, as their entire neighborhoods were consumed by smoke and fire.⁴⁶

121. Cal Fire reported that the origin of the Sulphur Fire was off of Highway 20 at Sulphur Bank Road, Clearlake Oaks, California. Cal Fire also reported that the Sulphur Fire started on Sunday, October 8, 2017, at or around 11:59 p.m. The fire burned approximately 2,207 acres in Lake County⁴⁷ and destroyed approximately 162 homes, businesses, and outbuildings.⁴⁸

122. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines and/or problems with other electrical equipment at or around the same time and place the Redwood Valley Fire started. **PG&E** Electric Safety Incident Report No. 171011-8562 shows that at or around 11:55 p.m. on October 8, 2017, there were two broken poles on the Redbud 1102 **PG&E** Circuit near the intersection of Pomo Road and Sulphur Bank Road near Clearlake, California. The top section of Fuse Cutout Pole 1447 had broken and fallen to the ground. In addition, a pole one span to the west was burned and fell to the ground.⁴⁹ The site of this **PG&E** incident is approximately the same location as the fire origin reported by Cal Fire, and that at least one of these poles was rotten and riddled with woodpecker holes.

⁴⁴ <http://cpuc.ca.gov/pgefireincidentreports> (last accessed March 9, 2018).

⁴⁵ <http://www.latimes.com/local/california/la-northern-california-fires-live-clearlake-park-neighborhood-hit-hard-by-1508100783.htmlstory.html> (last accessed February 12, 2018).

⁴⁶ <http://abc7news.com/exclusive-sulphur-fire-victims-tell-harrowing-tale-of-driving-through-flames/2553638> (last accessed February 12, 2018).

⁴⁷ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1876 (last accessed February 12, 2018).

⁴⁸ <https://yubanet.com/Fires/sulphur> (last accessed February 12, 2018).

⁴⁹ <http://cpuc.ca.gov/pgefireincidentreports> (last accessed February 12, 2018).

1 **14. The Tubbs Fire**

2 123. The Tubbs Fire was the most destructive of the North Bay Fires. The fire destroyed
3 approximately five percent of Santa Rosa's housing stock, burned over 36,807 acres across
4 Sonoma and Napa Counties, and killed at least 22 individuals.

5 124. Cal Fire reported that the origin of the Tubbs Fire was at or near the intersection of
6 Highway 128 and Bennett Lane, Calistoga, California. Cal Fire also reported that the Tubbs Fire
7 started on Sunday, October 8, 2017, at or around 9:45 p.m.⁵⁰

8 125. Contemporaneous calls and reports indicated trees hitting **PG&E** electrical lines
9 and/or problems with other electrical equipment at or around the same time and place the Tubbs
10 Fire started. At least ten of the calls reported electrical problems, transformer explosions,
11 transformer fires, arcing transformers, down power lines, arcing power lines, and/or flames in
12 trees. Further, several calls reported problems with electrical equipment in the vicinity of the
13 Tubbs Fire, including a call at approximately 9:24 p.m. reporting a **PG&E** transformer explosion,
14 a call at approximately 9:58 p.m. reporting down power lines, a call at approximately 10:14 p.m.
15 reporting flames in trees, and a call at approximately 10:34 p.m. reporting falling power line
16 wires.⁵¹

17 126. At or around the start time of the Tubbs Fire, **PG&E's** website for electrical outages
18 reported two outages right next to each other at or very near the origin of the Tubbs Fire. The
19 causes of the **PG&E** outages read: "found damaged equipment on a power pole," and "fire in the
20 area." The start time of both outages was exactly 8:51 p.m. on October 8, 2017 – near the reported
21 start time of the Tubbs Fire.⁵²

22 127. There were multiple power lines, power poles, and/or associated equipment in and
23 around the reported origin of the Tubbs Fire. After containment of the Tubbs Fire, there was
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26 ⁵⁰ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1867 (last accessed
February 12, 2018).

27 ⁵¹ <http://www.mercurynews.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires> (last
accessed February 12, 2018).

28 ⁵² This quote appeared on https://m.pge.com/?WT.pgeac=Home_Outages#outages but is no
longer available on that site.

1 caution tape around the **PG&E** power poles located at or near Highway 128 and Bennett Lane,
2 where the outage reports originated. Several trees were dangerously close to power poles and
3 electrical wires coming off the poles in the area of the Tubbs Fire origin. Further, electric
4 equipment that appeared to have come off the poles in the area of the Tubbs Fire origin was on the
5 ground.

6 **15. The Highway 37 Fire**

7 128. Cal Fire reported that the origin of the Highway 37 Fire was at or near the
8 intersection of Highway 37 and Lakeville Highway near Sonoma, California. Cal Fire also
9 reported that the Highway 37 Fire started on October 9, 2017, at or around 2:00 p.m., and burned
10 approximately 1,660 acres in Sonoma County.⁵³

11 129. **PLAINTIFFS** are informed that witnesses observed downed power lines,
12 exploding transformers, improper fuses, improper connections, improper clearances, aged and
13 defective poles, unrepaired poles, problems with other electrical equipment, and/or down trees,
14 tree limbs, and/or other vegetation in the area in and around the Highway 37 Fire.

15 **F. PG&E'S ACTS AND OMISSIONS CAUSED AND CONTRIBUTED TO**
16 **CAUSING THE NORTH BAY FIRES**

17 **1. The 2013 Liberty Report Found that PG&E's Distribution System**
18 **Presented "Significant Safety Issues"**

19 130. On May 6, 2013, a report was sent to the Safety and Enforcement Division of the
20 CPUC from the Liberty Consulting Group who had been retained to conduct an independent
21 review of capital and operations and maintenance expenditures proposed by **PG&E** (hereinafter
22 the "2013 Liberty Report").⁵⁴ The 2013 Liberty Report concluded that: "several aspects of the
23 **PG&E** distribution system present significant safety issues." It also found: (a) "addressing risks
24 associated with electrical distribution components has been overshadowed by electric transmission
25 and gas facilities;" (b) "addressing aging infrastructure and adding SCADA to the system comprise

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27 ⁵³ http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1882 (last accessed
February 12, 2018).

28 ⁵⁴ <http://docs.cpuc.ca.gov/publisheddocs/efile/g000/m065/k394/65394210.pdf> (last accessed
February 12, 2018).

1 the major focuses of safety initiatives for the distribution system;” and (c) “current
2 employee/contractor serious injury and fatality levels require significantly greater mitigation.”

3 **2. The 2013 Liberty Report Found that PG&E’s Wires Were Highly**
4 **Susceptible to Failure Due to Age**

5 131. One of the first key findings of the 2013 Liberty Report was that **PG&E** had a
6 “large amount of small size obsolete conductor remaining on **PG&E’s** system.” **PG&E** has
7 113,000 miles of conductors, and according to the report, over 60 percent of those conductors are
8 highly susceptible to failure. The conductors are very small, and generally more susceptible to
9 breaking than standard size conductors. As a conductor ages, it becomes even more susceptible to
10 breaking. Weather conditions, such as winds and lightning strikes, will also wear a small conductor
11 more than larger ones. For these reasons, “[t]his conductor was once popular, but is now
12 recognized as obsolete, due to its small size.”

13 132. **PG&E’s** failure to replace these undersized and obsolete conductors was a
14 proximate cause of the North Bay Fires and Plaintiffs’ harm and damages arising therefrom.

15 **3. PG&E Failed to Inspect, Maintain, Repair, and/or Replace Its**
16 **Equipment**

17 133. **PG&E** failed to perform the necessary inspections, maintenance, repair, and/or
18 replacement of its electrical equipment.

19 134. A 2015 audit of **PG&E’s** Sonoma Division revealed that there were over 3,500
20 unfilled **PG&E** repair and maintenance requests in the area of the Tubbs Fire.⁵⁵ The volume of
21 unfilled repair and maintenance requests reflects **PG&E’s** reckless and conscious disregard for
22 public safety in the North Bay Fire zones.

23 135. In a December 31, 2015, letter to **PG&E** regarding the audit, Fayi Daye, a
24 supervising electric safety regulator with the CPUC, outlined the violations found in the review of
25 records between 2010 and 2015 and a spot check of **PG&E** electrical distribution equipment. She
26 stated the following:

27 ⁵⁵ [http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/
28 Electric_Safety_and_Reliability/Reports_and_Audits/Electric_Facilities/EA2015-018.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/Electric_Safety_and_Reliability/Reports_and_Audits/Electric_Facilities/EA2015-018.pdf) (last accessed
February 12, 2018).

1
2 **PG&E's** records indicated that from August 2010 to September 21, 2015,
3 a total of **3,527 work orders were completed past their scheduled date**
4 **of corrective action** per **PG&E's** Electric Notification Prioritization
Standards. Late work orders included overhead and underground
facilities.⁵⁶

5 136. The letter concluded that these delays violated CPUC General Order No. 128, Rule
6 17.1, which sets forth the CPUC's design, construction, and maintenance rules for electrical
7 systems.

8 137. The audit also reviewed **PG&E's** maps for its electrical distribution lines and found
9 that over 50 pieces of overhead equipment - including pole mounted transformers and power lines
10 has not been inspected every year as required by law. This was a violation of CPUC General Order
11 No. 165, § 111-B, which sets forth standards for inspections.⁵⁷

12 138. According to State Senator Jerry Hill, these findings are especially troubling
13 because "they are getting the money for these, they are getting the funds to do the work in a timely
14 manner."⁵⁸ Yet, **PG&E** takes the money but fails to correct the problems.

15 139. Further, according to records maintained by Cal Fire, approximately 135 fires in
16 Sonoma and Napa Counties were caused by electrical equipment from 2011 through 2015.⁵⁹ In
17 2015, the last year of reported data, electrical power problems sparked the burning of 149,241
18 acres across California – more than twice the amount from any other cause.⁶⁰

19 140. Since prior to 1996, **PG&E** has known or should have known that its choice of
20 chemical treatments for its poles can also make its equipment unsafe. For example, **PG&E** uses
21 and has used poles treated with pentachlorophenol in liquefied petroleum gas by the Cellon®
22 process. Those poles tend to experience surface decay below ground regardless of the type of
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24
25 ⁵⁶ *Ibid.*

26 ⁵⁷ *Ibid.*

27 ⁵⁸ <https://www.nbcbayarea.com/news/local/State-Audit-Shows-PGE-Had-Repair-Job-Backlog-in-Sonoma-Santa-Rosa-451996923.html> (last accessed February 12, 2018).

28 ⁵⁹ http://www.fire.ca.gov/fire_protection/fire_protection_fire_info_redbooks (last accessed February 12, 2018).

⁶⁰ <http://www.latimes.com/business/la-fi-utility-wildfires-20171017-story.html> (last accessed February 12, 2018).

1 wood used for the poles. As a result, digging inspections are required for poles treated by these
2 processes for all wood types. However, **PG&E** has failed to conduct the proper inspections.
3 Further, when **PG&E** has been advised of necessary repairs to such poles, it has failed to repair
4 the poles in a timely manner.

5 141. According to the 2017 CPUC Order Instituting Investigation into the Creation of a
6 Shared Database or Statewide Census of Utility Poles and Conduit:

7 Poorly maintained poles and attachments have caused substantial property
8 damage and repeated loss of life in this State. For example, inadequate
9 clearance between communication and power lines, perhaps in conjunction
10 with a broken cable lashing wire, caused the Southern California Guejito
11 Fire of 2007 which (together with the Witch Fire) burned 197,990 acres and
12 caused two deaths. Three more deaths occurred in 2011 when an electrical
conductor separated from a pole in high winds, causing a live wire to fall to
the ground. At least five more people lost their lives in pole-related failures
in 2012 and 2015.

13 Unauthorized pole attachments are particularly problematic. A pole
14 overloaded with unauthorized equipment collapsed during windy
15 conditions and started the Malibu Canyon Fire of 2007, destroying and
16 damaging luxury homes and burning over 4500 acres. Windstorms in 2011
knocked down a large number of poles in Southern California, many of
which were later found to be weakened by termites, dry rot, and fungal
decay.

17 Communication and other wires are not infrequently found hanging onto
18 roads or yards. Poles with excessive and/or unauthorized attachments can
19 put utility workers at risk. Facilities deployed in the field may differ from
20 what appears on paper or in a utility's database.⁶¹

21 142. In the June 29, 2017 CPUC press release for the investigation, CPUC President
22 Michael Picker stated, "Plain old wooden poles, along with their cousins, the underground
23 conduits, are work horses, carrying most of our power and telecommunications. They sometimes
24 get crowded and fail, causing outages and fires because of all the equipment crammed onto them."
25 Further, "Not knowing where all the poles are and who owns them, how loaded they are, how safe
26 they are, and whether they can handle any additional infrastructure, is problematic to both the

27
28 ⁶¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M190/K872/190872933.pdf> (last
accessed February 12, 2018).

1 utilities and to the CPUC. Creating a database of utility poles could help owners track attachments
2 on their poles and manage necessary maintenance and rearrangements, and can help the CPUC in
3 our oversight role.”⁶²

4 143. **PG&E’s** failure to conduct proper and regular inspections of its wood utility poles
5 and failure to replace them or make necessary repairs contributed to causing the North Bay Fires.

6 **4. PG&E Failed to Ensure Its Infrastructure Could Withstand**
7 **Foreseeable Weather Conditions as Required by Law**

8 144. Despite **PG&E’s** public protestations to the contrary, Northern California did not
9 experience uncommon weather patterns the night the North Bay Fires began. Readings at weather
10 stations in the areas impacted by the North Bay Fires show that winds were at foreseeable levels
11 when **PG&E’s** electrical equipment began to fail. For example, on October 8, 2017, a weather
12 station in Santa Rosa in the vicinity of the Tubbs Fire recorded wind gusts of about 30 miles per
13 hour at or around 9:29 p.m. About an hour later, the same station recorded wind gusts of 41 miles
14 per hour. These wind speeds were surpassed in other recent storms in the area on a number of
15 occasions.

16 145. According to **PG&E’s** 2014 Annual Electric Distribution Reliability Report, sent
17 to the CPUC on February 27, 2015, weather conditions have accounted for many of the top ten
18 **PG&E** electrical outages each year since at least 2004, putting the utility on notice that these
19 weather conditions occur and that they can cause electrical problems. For example, four of the
20 “ten largest 2004 outage events” for **PG&E** occurred in the Santa Rosa and Sonoma areas where
21 winds were documented in the 35 to 65 mph range, much higher levels than those of October 8,
22 2017.⁶³

23 146. **PG&E’s** largest outage in 2009 was caused by a strong early season storm that
24 “affected the entire service area with many stations reporting wind gusts over 50 mph. National
25 Weather Service records indicate this storm was the strongest October rain and wind event since

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27 ⁶² <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K560/191560905.pdf> (last
accessed February 12, 2018).

28 ⁶³ [https://www.pge.com/includes/docs/pdfs/myhome/outages/outage/reliability/
AnnualElectricDistributionReliabilityReport.pdf](https://www.pge.com/includes/docs/pdfs/myhome/outages/outage/reliability/AnnualElectricDistributionReliabilityReport.pdf) (last accessed February 12, 2018).

1 1962. Therefore, **PG&E** had notice of the type of winds that occurred on October 8, 2017, the
2 night the North Bay Fires began.

3 147. **PG&E's** wood utility poles in the areas where the North Bay Fires began did not
4 meet the wind load and safety factors required by General Order 95, Rule 48, under which wood
5 utility poles must be replaced if they are not strong enough to withstand wind speeds of 92 mph.
6 No weather station in the areas affected by the North Bay Fires recorded wind speeds at or above
7 92 mph on the night of October 8, 2017.

8 148. **PG&E's** failure to replace old and deteriorated wood utility poles that did not meet
9 the strength and safety requirements of General Order 95, Rule 48, and that could not withstand
10 wind speeds of less than 92 mph contributed to the cause of the North Bay Fires.

11 **5. PG&E's Unsafe Use of Reclosers**

12 149. Another key finding of the 2013 Liberty Report was that on a daily basis and in 36
13 percent of cases, **PG&E** cannot remotely de-energize a downed line and must send someone on-
14 site to manually turn off the feed. An energized downed line is a hazard, and, according to the
15 2013 Liberty Report, this hazard has "contributed to a number of fatalities and injuries."

16 150. **PG&E** has a long-standing practice of using reclosers throughout its system to
17 automatically restart power after interruptions, even though it knows these devices may cause
18 wildfires. Reclosers are circuit breakers equipped with a mechanism that can automatically
19 "reclose" the breaker and reenergize a power line after it has been "opened" due to a fault. Many
20 of **PG&E's** reclosers are set to reenergize the line up to three times after a fault.

21 151. Reclosers are key tools to prevent power blackouts, but if a fault occurs from
22 contact between a line and a tree or vegetation, reenergizing the line can ignite fires. This danger
23 is so significant that the other two major utilities in California, San Diego Gas & Electric Company
24 and Southern California Edison, have reprogrammed their electrical systems during fire seasons to
25 ensure that reclosers do not automatically restart electrical currents after a service interruption.

26 152. **PG&E** knew that its reclosers posed a great risk of wildfire but has only taken slow
27 and incomplete steps to eliminate that risk. At a Congressional hearing in 2015, **PG&E's** Senior
28 Vice President of Electrical Operations, Patrick Hogan, stated that **PG&E** had the ability to

1 reprogram its reclosers during fire season to not restart power. Patrick Hogan claimed that shutting
2 down power means “you take the reliability hit, but you gain the wildfire benefit.”⁶⁴

3 153. In contrast to San Diego Gas & Electric Company and Southern California Edison
4 having disabled all of their reclosers from reenergizing lines during fire season, and despite its
5 own knowledge of the dangers posed by reclosers, **PG&E** began an experimental pilot program in
6 2017 to reprogram its reclosers that only affected a limited area of California.

7 154. Even before the Butte Fire in 2015, **PG&E** began a process of replacing all
8 reclosers that can only be programmed or controlled on-site with reclosers that can be remotely
9 programmed and controlled. However, that process has been so slow and deliberate many of its
10 reclosers must still be programmed or controlled only at the site where they are installed.

11 155. On its own initiative, **PG&E** did not turn off a number of reclosers on transmission
12 and distribution systems in the area of the North Bay Fires. Instead, **PG&E** left those reclosers
13 active and did not turn them off until directed to do so by Cal Fire between October 12 and 15,
14 2017.

15 156. **PG&E’s** failure to turn off its reclosers during fire season and its failure to ensure
16 all of its reclosers could be programmed and controlled remotely proximately caused the North
17 Bay Fires and the injuries, deaths, harm and property destruction arising therefrom.

18 **6. PG&E Knew That Its Down-Guy Design Was Flawed and Could**
19 **Cause Ground Currents That Create Arcing and Spark Vegetation**

20 157. Electrical arcing is a process by which guy wires or “down-guys,” when designed
21 improperly and/or installed according to improper design, conduct ground current at ground level
22 during high winds, igniting fires to nearby vegetation. Guy wires are the metal support cables that
23 are used to tie electrical poles to the ground. **PG&E** utilizes an inverted “V” shape design without
24 any separation or in-line insulators as an attempt to help its poles withstand high wind. However,
25 in **PG&E’s** sub-transmission design, **PG&E** does not separate the connection at the pole by 12
26 inches, utilize any in-line insulator to prevent ground current from flowing, or utilize a shunt so

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28 ⁶⁴ <http://www.sfchronicle.com/bayarea/article/Power-line-restart-device-implicated-in-past-12324764.php> (last accessed February 12, 2018).

1 when ground current exists it does not cause an electrical arc. In addition, if not properly
2 maintained, the down-guys become loose. In high wind conditions, when the poles sway and
3 ground currents exist, arcing occurs. With the combination of high winds, swaying poles, loose
4 connections, two down-guys attached by a common bolt, and ground current, electrical arcing
5 occurs, igniting local vegetation.

6 158. It is believed that arcing from San Diego Gas & Electric wires was the cause of the
7 2007 San Diego “Witch Creek” Fires, in addition to the 2003 Cedar and Paradise Fires.

8 159. The down-guy design utilized by **PG&E** is a violation of CPUC General Order
9 Number 95. Industry experts have demonstrated to the CPUC and California utilities how the
10 dangerous design causes arcing and fires for over a decade. They believe this design is
11 unreasonably dangerous and that the fix is cheap and easy. CPUC General Order Number 95 sets
12 forth two possible solutions: either have a 12-inch separation on a pole; or add an in-line insulator.
13 An additional solution is adding a shunt from the down-guy anchor to the down-guy itself. All
14 three inexpensive solutions prevent electrical arcs at ground levels that ignite fires.

15 **7. PG&E’s Reckless Adoption of the VMII Program Where It Paid Its**
16 **Contractors to Cut Fewer Trees**

16 160. **PG&E’s** Vegetation Management Program performs two types of tree work:
17 annual routine compliance tree work and reliability tree work.

18 161. Annual routine compliance work focuses on maintaining regulatory distances
19 between energized conductors and vegetation. Reliability tree work focuses on locations where
20 there has been a history of vegetation-related outage problems based on three historical indexes:
21 System Average Interruption Frequency Index (“SAIFI”), Customer Experiencing Multiple
22 Interruption (“CEMI”), and System Average Interruption Duration Index (“SAIDI”).

23 162. In 2006, **PG&E’s** Vegetation Management Program adopted the “Vegetation
24 Management Incentive Initiative” (“VMII”). The ostensible purpose of VMII was to reduce the
25 annual routine compliance tree work and share the resulting cost savings with the contractors
26 whose compensation would be reduced by the loss of actual work. The actual purpose of VMII
27 was to shift costs from annual routine compliance work to fund additional reliability work.
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1 163. For example, in 2011, **PG&E** set a goal to reduce routine “units” worked from 1.18
2 million trees in 2011 to 1 million in 2012 in order to increase the amount of money available for
3 reliability work by \$20 million. In 2012, **PG&E** set a goal to goal to reduce routine “units” worked
4 by 25 percent in 2013 in order to increase the amount of money available for reliability work by
5 \$35 million. In 2013, **PG&E** only performed routine patrol inspections on 75 percent of its
6 distribution circuits, using the cost savings to increase its reliability patrols. In 2014, **PG&E** set a
7 goal to reduce routine units worked by 7.5 percent annually through 2016.

8 164. Between 2006 and 2013, **PG&E** actually reduced the number of routine trees
9 worked from 1.7 million to 1.25 million in 2013, paid contractors \$85 million, and increased
10 reliability spending by \$134 million. During that time, customer satisfaction as measured by
11 SAIFI increased by 40 percent.

12 165. Most of **PG&E’s** annual routine compliance work is performed in rural areas in
13 California, while most of **PG&E’s** “reliability” work is performed in the more densely populated
14 urban or semi-urban areas where outages will generate more complaints per square mile than in
15 the rural counties served by **PG&E**. Although the actual vegetation management work performed
16 in the annual routine compliance patrols and the reliability patrols is virtually the same, **PG&E’s**
17 only comprehensible rationale for differentiating the “two types of work” is that the “reliability”
18 work is directed at reducing statistical measurements of customer dissatisfaction over outages and
19 that goal can be better accomplished by concentrating on work in urban or semi-urban areas at the
20 expense of work needed in rural areas.

21 166. Under **PG&E’s** bonus incentive program, reducing the number of customer
22 complaints over outages leads to an increased likelihood of increases in executive and management
23 bonuses.

24 167. **PG&E’s** reckless implementation and continued application of VMII proximately
25 caused the North Bay Fires and the injuries, deaths, harm and property destruction arising
26 therefrom.

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1 **8. PG&E Failed to Fully Employ LiDAR to Identify Hazard Trees**

2 168. LiDAR (an acronym for “Light Detection and Ranging”) is a surveying method that
3 measures distances to a target by illuminating that target with a pulsed laser light and measures the
4 reflected pulses with a sensor. These light pulses, when combined with other data recorded by the
5 system, orthoimagery, and hyperspectral data, can generate precise three-dimensional images and
6 information about the shape of the Earth and objects such as buildings or trees.

7 169. When used in a vegetation management program for electric utilities, LiDAR scans
8 and analyses can be used to identify trees that have the potential for contacting conductors, whether
9 because of proximity to the conductors or because they are dead, diseased, or dying. Annual
10 LiDAR scans and analyzes the change in the dead or diseased vegetation by comparing one year's
11 data to the prior year's inventory of dead or diseased trees. When the analysis is conducted over a
12 subset dataset, it can provide a statistical understanding in the percent change in vegetation
13 identified as dead or diseased.

14 170. **PG&E's** use of LiDAR is funded by its “Catastrophic Event Memorandum
15 Account” (“CEMA”). If a catastrophic event is declared a state of emergency by the state or
16 federal government, then utilities like **PG&E** can record costs caused by the event in this
17 memorandum account. By recording these costs, the utilities can later ask for recovery of these
18 costs from the CPUC.

19 171. In 2014, **PG&E** began to use LiDAR to scan and analyze small sections of its
20 electric transmission and distribution system. In 2015, **PG&E** employed a contractor who created
21 spatially accurate alignment information for approximately 10 percent of **PG&E** distribution lines
22 using LiDAR and imagery. The contractor identified 2.2 million “Hazard Trees” in the LiDAR
23 data having the potential to fail-in or encroach on distribution lines, performed “dead and diseased
24 analysis” on 1.6 million trees, and identified 23,000 trees as potentially dead or diseased.

25 172. In 2015, for some unfortunate reason **PG&E** scheduled the LiDAR contractor's
26 deliverables for October 2015 at the very tail end of California's fire season. The contractor's
27 final product identified the 44 foot-tall gray pine that started the Butte Fire as a “Hazard Tree” that
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1 had the potential to fall into one of **PG&E's** distribution lines, but unfortunately **PG&E** received
2 the information over a month after the Butte Fire started.

3 173. In 2016 and 2017, **PG&E** again employed LiDAR technology to scan and analyze
4 its electric transmission and distribution system, but only employed the technology in limited
5 sections of that system, and again scheduled the deliverables at the tail end of the California
6 wildfire season.

7 174. **PG&E's** failure to fully employ LiDAR technology in the area of the North Bay
8 Fires and its failure to timely schedule deliverables of LiDAR analyses proximately caused the
9 North Bay Fires and the injuries, deaths, harm and property destruction arising therefrom.

10 **9. PG&E Failed to Treat the Conditions of Its Aging Electrical Assets as**
11 **an Enterprise-Level Risk**

12 175. Another recommendation of the 2013 Liberty Report was “the establishment of a
13 formal asset management program in Electric Operations.” According to the report, “aging
14 infrastructure is best addressed by having a strategic asset management program in place. These
15 types of programs, such as the PAS 55 program, force a detailed and thorough condition
16 assessment survey of the major assets. These types of formal programs also take failure modes
17 into consideration. Long-term sustainable plans can then be prepared to address the asset
18 conditions. A sustainable asset management will mitigate system safety risks from aging
19 infrastructure, which constituted a major portion of the safety items in this GRC.”

20 176. The 2013 Liberty Report specifically recommended that “**PG&E** treat aging
21 infrastructure as an enterprise-level risk.”

22 177. **PG&E's** failure to treat its aging infrastructure as an enterprise-level risk
23 proximately caused the North Bay Fires and the injuries, deaths, harm and property destruction
24 arising therefrom.

25 **10. PG&E's “Run to Failure” Approach to Maintenance**

26 178. **PG&E's** failure to address the “significant safety hazards” identified by the 2013
27 Liberty Report; failure to replace obsolete and undersized conductors; failure to halt its unsafe use
28 of reclosers; adoption of the VMII program; failure to fully employ LiDAR to identify hazard

1 trees; failure to treat the conditions of its aging infrastructure as an enterprise-level risk; failure to
2 inspect, maintain, repair, and/or replace its aging equipment; failure to conduct an inventory of its
3 electrical assets; and failure to ensure its infrastructure could withstand foreseeable weather
4 conditions as required by law are all indicative of what has been called **PG&E's** "run to failure"
5 approach to its infrastructure.

6 179. **PG&E** has a well-documented history of implementing this "run to failure"
7 approach with its aging infrastructure, ignoring necessary maintenance and creating hazards to the
8 public. According to a filing by Office of Ratepayer Advocates with the CPUC in May 2013:

9 However, as we saw in Section V.F.3 above, the Overland Audit explains how
10 **PG&E** systematically underfunded GT&S integrity management and
11 maintenance operations for the years 2008 through 2010. **PG&E** engaged in
12 a 'run to failure' strategy whereby it deferred needed maintenance projects
13 and changed the assessment method for several pipelines from ILI to the less
14 informative ECDA approach – all to increase its profits even further beyond
15 its already generous authorized rate of return, which averaged 11.2% between
16 1996 and 2010.

17 Given **PG&E's** excessive profits over the period of the Overland Audit, there
18 is no reason to believe that Overland's example regarding GT&S operations
19 between 2008 and 2010 was unique. The IRP Report supplements the
20 Overland Audit findings with additional examples of **PG&E** management's
21 commitment to profits over safety. Thus, it is evident that while the example
22 of GT&S underfunding between 2008 and 2010 might be extreme, it was not
23 an isolated incident; rather, it represents the culmination of **PG&E**
24 management's long-standing policy to squeeze every nickel it could from
25 **PG&E** gas operations and maintenance, regardless of the long term 'run to
26 failure' impacts. And **PG&E** has offered no evidence to the contrary.⁶⁵

27 180. **PG&E's** "run to failure" approach to maintenance proximately caused the North
28 Bay Fires and the injuries, deaths, harm and property destruction arising therefrom.

29 11. **PG&E's Purchase of Insurance Coverage for Punitive Damages**

30 181. Insurance Code § 533 provides in pertinent part: "An insurer is not liable for a loss
31 caused by the willful act of the insured."

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⁶⁵ [ftp://ftp2.cpuc.ca.gov/PG&E20150130ResponseToA1312012Ruling/2013/03/
SB_GT&S_0039691.pdf](ftp://ftp2.cpuc.ca.gov/PG&E20150130ResponseToA1312012Ruling/2013/03/SB_GT&S_0039691.pdf) (last accessed February 12, 2018).

1 182. Civil Code § 1668 provides: “All contracts which have for their object, directly or
2 indirectly, to exempt anyone from responsibility for his own fraud, or willful injury to the person
3 or property of another, or violation of law, whether willful or negligent, are against the policy of
4 the law.”

5 183. Despite the statutory exoneration given to insurance companies for liability for
6 losses caused by willful acts of an insured, and despite the fact that the public policy of the State
7 of California invalidates any insurance contract that purports to provide coverage for punitive
8 damages, **PG&E** has purchased policies of insurance from offshore companies in Bermuda,
9 London, and elsewhere that expressly provide coverage for punitive damages in amounts that
10 exceed hundreds of millions of dollars.

11 184. **PG&E** purchased insurance policies that cover punitive damages for the purpose
12 of providing corporate security at the cost of public safety. This contributed to a culture of reckless
13 disregard for the safety of the residents of Northern and Central California and contributed to
14 causing the North Bay Fires.

15 **G. PG&E’S CORPORATE CULTURE IS THE ROOT CAUSE OF THE**
16 **NORTH BAY FIRES**

17 185. **PG&E** has a virtual monopoly in the provision of gas and electric services to the
18 general public in almost all counties and cities across Northern and Central California.⁶⁶

19 186. Over the past thirty-plus years, **PG&E** has been subject to numerous fines,
20 penalties, and/or convictions as a result of its failure to abide by safety rules and regulations,
21 including the fines, penalties, settlements, and convictions detailed above. Despite these recurring
22 punishments, **PG&E** continues to display a shocking degree of arrogant complacency, refuses to
23 modify its behavior, and continues to conduct its business with a conscious disregard for the safety
24 of the public, including **PLAINTIFFS**.

25 187. Rather than spend the money it obtains from customers for infrastructure
26 maintenance and safety, **PG&E** funnels this funding to boost its own corporate profits and
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28 ⁶⁶ A few cities like Palo Alto and Sacramento provide their own gas and electric utility services.

1 compensation. This pattern and practice of favoring profits over having a solid and well-
2 maintained infrastructure that would be safe and dependable for years to come left **PG&E**
3 vulnerable to an increased risk of a catastrophic event such as the North Bay Fires.

4 188. For example, according to documents released by The Utility Reform Network
5 (“TURN”), **PG&E** planned to replace a segment of the San Bruno pipeline in 2007 that it identified
6 as one of the riskiest pipelines in **PG&E’s** system. **PG&E** collected \$5 million from its customers
7 to complete the project by 2009, but instead deferred the project until it was too late and repurposed
8 the money to other priorities. That same year, **PG&E** spent nearly \$5 million on bonuses for six
9 of its top executives.

10 189. Further, Geisha Williams, **PG&E’s** CEO, is slated to receive at least \$12.23 million
11 in bonuses over the next few years, depending on the future performance of the company. This
12 is on top of her \$1.085 million annual salary, which rose 3 percent from 2017 to 2018.⁶⁷

13 190. Moreover, **PG&E** has implemented multiple programs that provide monetary
14 incentives to its employees, agents, and/or contractors to not protect public safety. Prior to the
15 Butte Fire, **PG&E** chose to provide a monetary incentive through the VMII program to its
16 contractors to cut fewer trees, even though **PG&E** was required to have an inspection program in
17 place that removed dangerous trees and reduced the risk of wildfires. Robert Urban, a regional
18 officer for a **PG&E** contractor, stated that he had a concern that the bonus system incentivized his
19 employees to not do their job, but **PG&E** chose to keep this program despite knowing this risk.

20 191. Similarly, prior to the San Bruno explosion, **PG&E** had a program that provided
21 financial incentives to employees to not report or fix gas leaks and keep repair costs down. This
22 program resulted in the failure to detect a significant number of gas leaks, many of which were
23 considered serious leaks. According to Richard Kuprewicz, an independent pipeline safety expert,
24 **PG&E’s** incentive system was “training and rewarding people to do the wrong thing,” emblematic
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28 ⁶⁷ <https://www.sfchronicle.com/business/article/PG-E-CEO-could-get-more-than-12-million-in-12714473.php> (last accessed March 6, 2018).

1 of “a seriously broken process,” and “explains many of the systemic problems in this operation
2 that contributed to the [San Bruno] tragedy.”⁶⁸

3 192. As detailed above, the North Bay Fires are just one example of the many tragedies
4 that have resulted from **PG&E’s** enduring failure to protect the public from the dangers associated
5 with its operations. PG&E power lines, transformers, conductors, poles, insulators, and/or other
6 electrical equipment have repeatedly started wildfires due to **PG&E’s** ongoing failure to create,
7 manage, implement, and/or maintain effective vegetation management programs for the areas near
8 and around its electrical equipment. Further, **PG&E’s** aging infrastructure has caused multiple
9 disasters throughout California.

10 193. As detailed more fully above, **PG&E’s** failures to reduce the risk of wildfire are
11 serious and widespread, and contributed to causing the North Bay Fires. The reclosers in **PG&E’s**
12 system were set to avoid outages and not to avoid fires, even though fire conditions were known
13 to be extreme. **PG&E** failed to have a reasonable system in place to make sure that its contractors
14 were properly performing tree and/or vegetation inspections and removal, pole clearance, and pole
15 inspections. **PG&E** failed to take any steps to look for what it calls Facility Protect Trees (trees
16 which pose a risk of falling into the line), even though it knew such trees were likely to exist after
17 its contractors had performed their work. **PG&E** failed to properly construct its power lines and
18 thereafter failed to take reasonable steps to make sure the poles and lines were sufficiently strong
19 to support lines and other equipment that were added by third parties. Finally, despite knowing
20 that wildfires posed the greatest risk to the public from its electrical operations, **PG&E** chose to
21 not ensure that its contractors were properly trained in tree inspections and removal, chose to not
22 ensure that its contractors hired people who met **PG&E’s** minimum qualifications, and chose to
23 not participate in the training of its contractors.

24 194. As the numbers of disasters caused by **PG&E** continue to mount, the number of
25 “feel good” commercials it airs increases exponentially. Those “concerned neighbor”
26 commercials cannot hide the true nature of **PG&E’s** corporate culture of greed, indifference,
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28 ⁶⁸ <http://www.sfgate.com/news/article/PG-E-incentive-system-blamed-for-leak-oversights-2424430.php> (last accessed March 6, 2018).

1 dogged refusal to take responsibility for its actions, and persistent failure to institute obvious
2 measures to protect the public.

3 **V. CAUSES OF ACTION**

4 **FIRST CAUSE OF ACTION**
5 **NEGLIGENCE**
6 **(Against All Defendants)**

7 195. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as
8 though fully set forth herein.

9 196. The North Bay Fires were a direct and legal result of the negligence, carelessness,
10 recklessness, and/or unlawfulness of **DEFENDANTS**, and/or each of them. **DEFENDANTS**,
11 and/or each of them, breached their respective duties owed individually and/or collectively to
12 **PLAINTIFFS** by, including but not limited to: (1) failing to comply with the applicable statutory,
13 regulatory, and/or professional standards of care; (2) failing to timely and properly maintain,
14 manage, inspect, and/or monitor the subject power lines, electrical equipment, and/or adjacent
15 vegetation; (3) failing to properly cut, trim, prune, and/or otherwise keep vegetation at a sufficient
16 distance to avoid foreseeable contact with power lines; (4) failing to trim and/or prune vegetation
17 so as to avoid creation of a safety hazard within close proximity of the subject power line; (5)
18 failing to make the overhead lines safe under all the exigencies created by surrounding
19 circumstances and conditions; (6) failing to conduct adequate, reasonably prompt, proper,
20 effective, and/or frequent inspections and/or repairs of the electrical transmission lines, wires,
21 and/or associated equipment; (7) failing to design, construct, monitor, and/or maintain electrical
22 transmission and/or distribution power lines in a manner that avoids the potential to ignite a fire
23 during long, dry seasons by allowing vegetation to grow in an unsafe manner; (8) failing to install
24 the equipment necessary and/or to inspect and/or repair the equipment installed, to prevent
25 electrical transmission and distribution lines from improperly sagging, operating, and/or making
26 contact with other metal wires placed on its poles and igniting fires; (9) failing to keep equipment
27 in a safe condition and/or manage equipment to prevent fire at all times; (10) failing to de-energize
28 power lines during fire prone conditions; (11) failing to de-energize power lines after the ignition
of the North Bay Fires; and/or (12) failing to properly train and to supervise employees and/or